

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, 2023, and have issued our report thereon dated January 12, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 5, 2023. 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, 2023. 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. Four audit adjustments increased the governmental fund balances by \$317,211. Seven audit adjustments decreased the net position of the business-type funds by \$1,333,878. Three audit adjustments increased the net position of the component unit by \$12,417. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Due to Water Fund and capital outlay were increased \$190,280 on the LB 357 Fund and Due from LB 357 Fund and revenue were increased \$190,280 on the Water Fund to record the sale of land to the ball field.
2. Hotel occupation tax receivable and revenue were both increased \$30,738.
3. Grain inventory was increased and farm expenses were decreased \$67,663 on the Water Fund.
4. The liability for landfill closure/post-closure costs was increased \$168,135 with a corresponding increase to expense.
5. Capital assets were increased and expenses were decreased \$3,903,649 to capitalize assets on the utility funds.
6. Depreciation expense of \$2,603,335 was recorded on the utility funds.
7. The liability for claims incurred but not paid was decreased \$95,981 with a corresponding decrease to expense.

#### *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, 2024.

### *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, 2023, 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. One sewer district assessment for \$15,884.88 was deposited into Fund 80 in September 2021. This item was not identified until the current fiscal year. We recommend transferring this amount to Fund 60, as this fund paid for the improvements that were assessed for Sewer District 14-1.
2. While auditing the self-insurance claims and reinsurance revenue, we noted a significant delay in the time between a large health claim and the time it was submitted to reinsurance. We recommend monitoring large claims in the future and ensuring that reinsurance claims are submitted timely.

### Other Matters

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

financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Restriction on Use

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

ANGEL, P.C.

Grand Island, Nebraska  
January 12, 2024

**CITY OF YORK, NEBRASKA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities - modified accrual basis, the business-type activities - accrual basis, the aggregate discretely presented component unit - accrual basis, each major fund - modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified accrual basis for the governmental funds of the City of York, Nebraska, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities - modified accrual basis, the business-type activities - accrual basis, the aggregate discretely presented component unit - accrual basis, each major fund - modified accrual basis for the governmental funds and accrual basis for the proprietary funds, and the aggregate remaining fund information - modified accrual basis for the governmental funds of the City of York, Nebraska as of September 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting described in Note A.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of York, Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter—Basis of Accounting

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified accrual and accrual basis of accounting described in Note A, and for determining that the modified accrual and accrual basis of accounting are acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of York, Nebraska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of York, Nebraska's ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024, on our consideration of the City of York, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of York, Nebraska's internal control over financial reporting and compliance.

AMGLDC

Grand Island, Nebraska  
January 12, 2024

**CITY OF YORK, NEBRASKA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2023**

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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, 2023.

**Financial Highlights**

- The assets of the City of York exceeded its liabilities at the close of the most recent fiscal year by \$77,365,920 (*net position*). Of this amount, \$26,637,055 (*unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of York’s governmental funds reported combined ending net position of \$38,756,231, with an unrestricted net position balance of \$10,093,871.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,670,629, 19.6 percent of total General Fund expenditures for the year ended September 30, 2023.

**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, 2023**

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

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2023**

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-62 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 63-72 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 \$77,365,920 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, 2023**

**Summary Statements of Net Position**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Current and Other Assets	\$ 43,705,917	\$ 46,819,802	\$ (3,113,885)
Capital Assets	<u>88,813,272</u>	<u>87,800,401</u>	<u>1,012,871</u>
Total Assets	<u>132,519,189</u>	<u>134,620,203</u>	<u>(2,101,014)</u>
Long-term Liabilities	48,580,073	52,104,905	(3,524,832)
Other Liabilities	<u>6,573,196</u>	<u>8,189,663</u>	<u>(1,616,467)</u>
Total Liabilities	<u>55,153,269</u>	<u>60,294,568</u>	<u>(5,141,299)</u>
Net Position:			
Net Investment in Capital Assets	40,832,019	35,760,697	5,071,322
Restricted	9,896,846	13,238,419	(3,341,573)
Unrestricted	<u>26,637,055</u>	<u>25,326,519</u>	<u>1,310,536</u>
Total Net Position	<u>\$ 77,365,920</u>	<u>\$ 74,325,635</u>	<u>\$ 3,040,285</u>

A large portion of the City of York's net position (52.8 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 (12.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,637,055) 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, 2023**

**Expenses and Program Revenues – Governmental Activities**

<u>Function</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 2,632,169	\$ 5,480,035	\$ 2,137,411	\$ 1,154,789
Economic Development	305,220	686,571	418,086	756,350
Public Safety	1,340,400	5,044,033	1,052,834	4,387,786
Public Works	817,765	1,462,600	880,964	2,063,529
Environment and Leisure	964,607	3,676,962	922,700	2,932,510
Airport	454,592	470,452	702,587	465,117
Interest and fees	-	244,413	-	307,296
Depreciation	-	2,821,307	-	2,572,283
Total	<u>\$ 6,514,753</u>	<u>\$ 19,886,373</u>	<u>\$ 6,114,582</u>	<u>\$ 14,639,660</u>

**Revenues by Source – Governmental Activities**

**SOURCES OF REVENUE**

	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 2,176,464	10.66 %	\$ 1,873,289	9.83 %
Operating Grants and Contributions	792,617	3.88	854,912	4.49
Capital Grants and Contributions	3,545,672	17.36	3,386,381	17.77
Property Taxes	2,068,328	10.13	2,153,712	11.30
Motor Vehicle Taxes	222,964	1.09	210,870	1.11
Occupation/Franchise	2,781,567	13.62	2,634,669	13.83
Sales Tax	6,772,170	33.16	6,231,847	32.71
Special Assessments	35,057	0.17	54,053	0.28
TIF Proceeds	144,160	0.71	155,018	0.81
State Allocation	1,389,083	6.80	1,279,267	6.71
Keno Proceeds	-	-	1,489	0.01
Gain on Sale of Capital Assets	124,493	0.61	241,517	1.27
Miscellaneous	9,150	0.04	9,642	0.05
Interest	667,305	3.27	68,831	0.36
Interfund Transfers	(305,678)	(1.50)	(101,634)	(0.53)
Total	<u>\$ 20,423,352</u>	<u>100.00 %</u>	<u>\$ 19,053,863</u>	<u>100.00 %</u>

Net position of the governmental funds increased \$536,979 during the year ended September 30, 2023.

**Business-type activities.** Business-type activities increased the City of York’s net position by \$2,503,306. Key elements of this increase are as follows:

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2023**

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

<u>Function</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Water	\$ 2,550,080	\$ 1,833,132	\$ 2,649,270	\$ 1,976,555
Sewer	3,480,080	3,165,221	3,494,087	3,122,368
Landfill	1,881,340	1,586,562	1,784,905	1,690,125
Total	<u>\$ 7,911,500</u>	<u>\$ 6,584,915</u>	<u>\$ 7,928,262</u>	<u>\$ 6,789,048</u>

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

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2023</u>		<u>Year Ended September 30, 2022</u>	
Charges for Services	\$ 7,845,302	86.32 %	\$ 7,918,262	97.83 %
Capital Contributions and Grants	66,198	0.73	10,000	0.12
Gain on Sale of Capital Assets	259,784	2.86	-	-
Interfund Transfers	305,678	3.36	101,634	1.26
Interest	611,259	6.73	63,573	0.79
Total	<u>\$ 9,088,221</u>	<u>100.00 %</u>	<u>\$ 8,093,469</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 \$18,457,708. The unassigned fund balance is \$2,670,629, 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 (\$879,580), 2) restricted for debt service (\$753,682), 3) restricted for economic development (\$424,824), 4) restricted for capital projects (\$3,803,248), 5) restricted



**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2023**

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for community betterment (\$1,776), 6) restricted for police (\$66,999), 7) restricted for street improvements (\$3,645,471), 8) restricted for fire (\$50,315), 9) restricted for recreation (\$4,451), 10) assigned for budgetary stabilization (\$2,881,604), 11) assigned for storm repairs (\$9,311), 12) assigned for other purposes (\$3,099,490) or 13) put into a nonspendable prepaid asset (\$166,328).

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 \$2,670,629, or 19.6 percent of annual expenditures. Total General Fund balance was \$6,243,179, or 45.8 percent of annual General Fund expenditures.

The fund balance of the City of York's General Fund decreased by \$2,122,208 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 – \$9,640,456, Sewer Fund – \$4,823,197, and Landfill Fund – \$2,079,531. The change in net position for the proprietary funds was as follows: Water Fund – increase of \$1,575,147, Sewer Fund – increase of \$446,239, and Landfill Fund – increase of \$481,920. 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, 2023.

### **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, 2023, amounts to \$88,813,272 (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, vehicles and equipment, and streets.

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

- Down payment on Industrial Park land - \$200,000
- 2023 Ford F-250 for parks department - \$59,159
- Minks Park splash pad - \$178,176
- Pedestrian safety access project - \$842,747 (\$572,987 of this was donated by NDOT)
- Police radios - \$120,876
- Commercial indoor playground equipment for Community Center - \$75,000
- Flooring for Convention Center - \$57,389
- Ballfield land - \$253,707
- Construction in progress on airport runway rehab project - \$83,466

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2023**

- Pentheon rescue tools - \$52,693
- 2022 Ford F-550 ambulance - \$308,901
- Motorola radios for fire/EMS - \$94,521
- Fire station land down payment - \$65,000
- Construction in progress on Blackburn Bridge project - \$1,488,512
- Construction in progress on street improvement and ADA ramp project - \$2,497,651
- Construction costs on landfill phase 6 – \$515,625
- Water lead line replacement project - \$460,483
- SCADA system for water - \$57,169

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

	<u>Year Ended September 30, 2023</u>			<u>Year Ended September 30, 2022</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	\$ 1,915,879	\$ 632,667	\$ 2,548,546	\$ 1,662,172	\$ 632,667	\$ 2,294,839
Construction in Progress	5,961,657	21,110	5,982,767	2,537,167	2,736,453	5,273,620
Infrastructure	5,821,672	-	5,821,672	6,706,309	-	6,706,309
Buildings and Improvements	21,566,535	6,254,867	27,821,402	22,573,024	3,149,358	25,722,382
Distribution Systems	-	40,222,855	40,222,855	-	41,646,368	41,646,368
Equipment	2,125,386	3,011,680	5,137,066	1,479,885	3,358,494	4,838,379
Vehicles	1,047,550	231,414	1,278,964	1,031,111	287,393	1,318,504
<b>Total</b>	<u>\$ 38,438,679</u>	<u>\$ 50,374,593</u>	<u>\$ 88,813,272</u>	<u>\$ 35,989,668</u>	<u>\$ 51,810,733</u>	<u>\$ 87,800,401</u>

Additional information on the City of York's capital assets can be found in Note C5 on pages 44-47 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, 2023</u>			<u>Year Ended September 30, 2022</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	\$ 19,215,000	\$ 6,105,000	\$ 25,320,000	\$ 21,145,000	\$ 6,675,000	\$ 27,820,000
Financing Contracts	-	-	-	-	139,467	139,467
Notes Payable	191,665	22,469,588	22,661,253	190,390	23,889,847	24,080,237
<b>Total</b>	<u>\$ 19,406,665</u>	<u>\$ 28,574,588</u>	<u>\$ 47,981,253</u>	<u>\$ 21,335,390</u>	<u>\$ 30,704,314</u>	<u>\$ 52,039,704</u>

**CITY OF YORK, NEBRASKA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued**  
**For The Year Ended September 30, 2023**

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The City of York’s total debt decreased by \$4,058,451 (7.8 percent) during the current fiscal year as the City made scheduled principal payments.

The City of York received a bond rating from S&P Global of AA-/Stable.

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 2023 Taxable Valuation	\$684,499,118
Total General Obligation and Limited Tax Obligation Debt	19,406,665
Total Revenue Debt	28,574,588
Total Sales Tax Revenues	6,772,170

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

- Property tax asking for the year ending September 30, 2024 of \$1,950,822 is \$32,422 (1.6 percent) lower than last year.
- A rate study was completed for the Landfill and rates were increased for the first time since 2017 during the year ended September 30, 2023. Rates are scheduled to steadily increase over the next few years to prepare for expected costs for the new cell, as well as closure of the old cell.
- The City has remaining contractual commitments of \$427,270 on the pedestrian safety access project which is expected to be completed by September 2027.
- The City has remaining contractual commitments of \$1,894,759 on the 2022 street improvements and ADA ramp project which is expected to be completed by July 2024.
- The City has remaining contractual commitments of \$3,400,000 on the Industrial Park land purchase expected to be completed by November 2028.
- The City has remaining contractual commitments of \$260,000 on the land purchase for the fire/EMS station expected to be completed by July 2024.

**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, 2023**

	Primary Government		Total	Component Unit (Accrual Basis)
	Governmental Activities (Modified Accrual Basis)	Business-type Activities (Accrual Basis)		
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,643,928	\$ 5,150,089	\$ 7,794,017	\$ 127,968
Certificates of deposit	6,778,478	11,655,114	18,433,592	1,105,589
County treasurer cash	91,814	-	91,814	-
Accounts receivable	501,084	453,894	954,978	-
Unbilled revenue	-	567,869	567,869	-
Special assessments receivable	539,537	-	539,537	-
Due from other governments	1,149,934	-	1,149,934	-
Current portion of notes receivable	6,409	-	6,409	-
Accrued interest receivable	70,344	63,143	133,487	1,877
Due from (to) other funds	(190,280)	190,280	-	-
Prepaid expenses	166,328	41,203	207,531	-
Inventory	37,200	139,428	176,628	-
Total current assets	<u>11,794,776</u>	<u>18,261,020</u>	<u>30,055,796</u>	<u>1,235,434</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,660,671	111,080	3,771,751	-
Restricted certificates of deposit	6,588,204	3,270,204	9,858,408	-
Noncurrent portion of notes receivable	19,962	-	19,962	-
Capital assets:				
Land	1,915,879	632,667	2,548,546	131,247
Construction in progress	5,961,657	21,110	5,982,767	-
Other capital assets, net of depreciation	30,561,143	49,720,816	80,281,959	-
Net capital assets	<u>38,438,679</u>	<u>50,374,593</u>	<u>88,813,272</u>	<u>131,247</u>
Total noncurrent assets	<u>48,707,516</u>	<u>53,755,877</u>	<u>102,463,393</u>	<u>131,247</u>
<b>Total assets</b>	<u>60,502,292</u>	<u>72,016,897</u>	<u>132,519,189</u>	<u>1,366,681</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,145,691	287,813	1,433,504	-
Claims incurred but not paid	45,241	-	45,241	-
Accrued wages and vacation	368,024	61,416	429,440	-
Payroll withholding	(13,228)	-	(13,228)	-
Accrued interest	102,017	122,192	224,209	-
Sales tax payable	927	26,941	27,868	-
Customer deposits	500	111,080	111,580	-
Unavailable special assessments	522,980	-	522,980	-
Current portion of long-term obligations	1,858,529	1,933,073	3,791,602	-
Total current liabilities	<u>4,030,681</u>	<u>2,542,515</u>	<u>6,573,196</u>	<u>-</u>
Noncurrent liabilities:				
Noncurrent compensated absences	167,244	35,901	203,145	-
Accrued closure/post-closure costs	-	4,187,277	4,187,277	-
Noncurrent portion of long-term obligations	17,548,136	26,641,515	44,189,651	-
Total noncurrent liabilities	<u>17,715,380</u>	<u>30,864,693</u>	<u>48,580,073</u>	<u>-</u>
<b>Total liabilities</b>	<u>21,746,061</u>	<u>33,407,208</u>	<u>55,153,269</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	19,032,014	21,800,005	40,832,019	-
Restricted for:				
Street improvements	3,645,471	-	3,645,471	-
Debt service	753,682	266,500	1,020,182	-
Federal programs	879,580	-	879,580	-
Economic development	424,824	-	424,824	-
Capital projects	3,803,248	-	3,803,248	-
Community betterment	1,776	-	1,776	-
Public safety	117,314	-	117,314	-
Recreation	4,451	-	4,451	-
Unrestricted	<u>10,093,871</u>	<u>16,543,184</u>	<u>26,637,055</u>	<u>1,366,681</u>
<b>Total net position</b>	<u>\$ 38,756,231</u>	<u>\$ 38,609,689</u>	<u>\$ 77,365,920</u>	<u>\$ 1,366,681</u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2023**

<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	\$ 5,480,035	\$ 222,588	\$ -
Economic development	686,571	520	304,700
Public safety	5,044,033	713,844	458,030
Public works	1,462,600	4,236	12,387
Environment and leisure	3,676,962	857,411	17,500
Airport	470,452	377,865	-
Interest and fees on long-term debt	244,413	-	-
Depreciation - unallocated	2,821,307	-	-
Total governmental activities	19,886,373	2,176,464	792,617
<b>Business-type activities</b>			
<b>(accrual basis):</b>			
Water	1,833,132	2,525,414	-
Sewer	3,165,221	3,480,080	-
Landfill	1,586,562	1,839,808	-
Total business-type activities	6,584,915	7,845,302	-
<b>Total primary government</b>	\$ 26,471,288	\$ 10,021,766	\$ 792,617
<b>Component unit (accrual basis):</b>			
Kilgore Library Foundation	\$ 18,741	\$ 2,385	\$ 61,500

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Capital Grants and Contributions</u>	<u>Primary Government</u>			Component Unit (Accrual Basis)
	<u>Governmental Activities (Modified Accrual Basis)</u>	<u>Business-type Activities (Accrual Basis)</u>	<u>Total</u>	
\$ 2,409,581	\$ (2,847,866)		\$ (2,847,866)	
-	(381,351)		(381,351)	
168,526	(3,703,633)		(3,703,633)	
801,142	(644,835)		(644,835)	
89,696	(2,712,355)		(2,712,355)	
76,727	(15,860)		(15,860)	
-	(244,413)		(244,413)	
-	(2,821,307)		(2,821,307)	
<u>3,545,672</u>	<u>(13,371,620)</u>	<u>\$ -</u>	<u>(13,371,620)</u>	
24,666	-	716,948	716,948	
-	-	314,859	314,859	
41,532	-	294,778	294,778	
<u>66,198</u>	<u>-</u>	<u>1,326,585</u>	<u>1,326,585</u>	
<u>\$ 3,611,870</u>	<u>(13,371,620)</u>	<u>1,326,585</u>	<u>(12,045,035)</u>	
<u>\$ 2,000</u>				\$ 47,144
General revenues:				
Taxes:				
Property	2,068,328	-	2,068,328	-
Motor vehicle	222,964	-	222,964	-
Occupation/franchise	2,781,567	-	2,781,567	-
Sales tax	6,772,170	-	6,772,170	-
Special assessments	35,057	-	35,057	-
TIF proceeds	144,160	-	144,160	-
State allocation	1,389,083	-	1,389,083	-
Gain on sale of capital assets	124,493	259,784	384,277	-
Miscellaneous	9,150	-	9,150	-
Interest income	667,305	611,259	1,278,564	23,993
Interfund transfers	(305,678)	305,678	-	-
Total general revenues	<u>13,908,599</u>	<u>1,176,721</u>	<u>15,085,320</u>	<u>23,993</u>
Change in net position	536,979	2,503,306	3,040,285	71,137
Net position - September 30, 2022	<u>38,219,252</u>	<u>36,106,383</u>	<u>74,325,635</u>	<u>1,295,544</u>
Net position - September 30, 2023	<u>\$ 38,756,231</u>	<u>\$ 38,609,689</u>	<u>\$ 77,365,920</u>	<u>\$ 1,366,681</u>

**CITY OF YORK, NEBRASKA**

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

**September 30, 2023**

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,791,627	\$ 1,144,346	\$ 231,758	\$ 238,625
Certificates of deposit	3,670,893	2,543,546	179,903	530,393
County treasurer cash	91,814	-	-	-
Accounts receivable	489,981	10,235	-	-
Special assessments receivable	-	401,295	-	138,242
Due from other governments	796,272	67,108	-	-
Accrued interest receivable	19,277	13,385	947	2,832
Inventory	-	-	-	-
Prepaid insurance	135,828	22,491	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 6,995,692</b>	<b>\$ 4,202,406</b>	<b>\$ 412,608</b>	<b>\$ 910,092</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 445,572	\$ 102,172	\$ 2,307	\$ -
Accrued interest payable	-	870	-	18,168
Accrued wages and vacation	318,742	46,664	-	-
Payroll liabilities	(13,228)	-	-	-
Due to other funds	-	-	-	-
Customer deposits	500	-	-	-
Sales tax payable	927	-	-	-
Unavailable special assessments	-	384,738	-	138,242
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>752,513</b>	<b>534,444</b>	<b>2,307</b>	<b>156,410</b>
Fund balances:				
Nonspendable:				
Prepaid assets	135,828	22,491	-	-
Restricted for:				
Street improvements	-	3,645,471	-	-
Debt service	-	-	-	753,682
Federal programs	469,279	-	410,301	-
Economic development	-	-	-	-
Capital projects	-	-	-	-
Community betterment	-	-	-	-
Police	21,762	-	-	-
Fire	50,315	-	-	-
Recreation	4,451	-	-	-
Assigned for:				
Budgetary stabilization	2,881,604	-	-	-
Storm repairs	9,311	-	-	-
Other purposes	-	-	-	-
Unassigned	2,670,629	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total fund balances</b>	<b>6,243,179</b>	<b>3,667,962</b>	<b>410,301</b>	<b>753,682</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total liabilities and fund balances</b>	<b>\$ 6,995,692</b>	<b>\$ 4,202,406</b>	<b>\$ 412,608</b>	<b>\$ 910,092</b>
	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

LB 357 Fund	Capital Projects Fund	Other Funds	Total Governmental Funds
\$ 670,241	\$ 683,732	\$ 1,094,652	\$ 5,854,981
1,489,749	1,519,738	2,433,091	12,367,313
-	-	-	91,814
-	-	868	501,084
-	-	-	539,537
286,554	-	-	1,149,934
7,839	7,998	12,807	65,085
-	-	37,200	37,200
-	-	8,009	166,328
<u>\$ 2,454,383</u>	<u>\$ 2,211,468</u>	<u>\$ 3,586,627</u>	<u>\$ 20,773,276</u>
\$ 19,310	\$ 570,945	\$ 3,762	\$ 1,144,068
82,068	-	911	102,017
-	-	2,618	368,024
-	-	-	(13,228)
190,280	-	-	190,280
-	-	-	500
-	-	-	927
-	-	-	522,980
<u>291,658</u>	<u>570,945</u>	<u>7,291</u>	<u>2,315,568</u>
-	-	8,009	166,328
-	-	-	3,645,471
-	-	-	753,682
-	-	-	879,580
-	-	424,824	424,824
2,162,725	1,640,523	-	3,803,248
-	-	1,776	1,776
-	-	45,237	66,999
-	-	-	50,315
-	-	-	4,451
-	-	-	2,881,604
-	-	-	9,311
-	-	3,099,490	3,099,490
-	-	-	2,670,629
<u>2,162,725</u>	<u>1,640,523</u>	<u>3,579,336</u>	<u>18,457,708</u>
<u>\$ 2,454,383</u>	<u>\$ 2,211,468</u>	<u>\$ 3,586,627</u>	<u>\$ 20,773,276</u>



CITY OF YORK, NEBRASKA

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

September 30, 2023

**Total fund balances - governmental funds** \$ 18,457,708

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. 26,371

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 \$65,727,023 and the accumulated depreciation is \$27,288,344. 38,438,679

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. 1,407,382

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	\$ (19,215,000)	
Note payable	(191,665)	
Noncurrent compensated absences	(167,244)	(19,573,909)

**Total net position - governmental activities** \$ 38,756,231

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, 2023**

	<u>General Fund</u>	<u>Street Fund</u>	<u>CDBG Fund</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 2,068,328	\$ -	\$ -
Motor vehicle	222,964	-	-
Special assessments	-	35,057	-
Occupation/franchise	2,781,567	-	-
Sales tax	4,672,966	406,162	-
TIF proceeds	-	-	-
Intergovernmental	588,215	1,288,785	-
Charges for services	1,794,102	4,236	-
Grants	46,653	-	303,849
Loan collections	-	-	56,943
Contributions	80,998	-	-
Interest income	211,158	104,997	1,656
Sale of property	-	-	-
Insurance proceeds	2,510,716	6,569	-
Other	15,675	4,264	-
Total revenues	14,993,342	1,850,070	362,448
<b>EXPENDITURES</b>			
General government	3,754,403	-	-
Economic development	-	-	298,335
Public safety	5,092,132	-	-
Public works	-	1,469,764	-
Environment and leisure	3,442,374	-	-
Airport	-	-	-
Capital outlay	1,336,763	240,293	-
Principal payments on debt	-	93,318	-
Interest on long-term debt	-	4,933	-
Bond fees	-	-	-
Total expenditures	13,625,672	1,808,308	298,335
Excess (deficiency) of revenues over expenses before transfers	1,367,670	41,762	64,113
<b>INTERFUND TRANSFERS</b>			
Transfer from (to) other funds	(3,489,878)	1,160,718	-
<b>Net change in fund balances</b>	(2,122,208)	1,202,480	64,113
Fund balances - September 30, 2022	8,365,387	2,465,482	346,188
Fund balances - September 30, 2023	\$ 6,243,179	\$ 3,667,962	\$ 410,301

See notes to financial statements.

Debt Service <u>Fund</u>	LB 357 <u>Fund</u>	Capital Projects <u>Fund</u>	Other <u>Funds</u>	Total Governmental <u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,068,328
-	-	-	-	222,964
-	-	-	-	35,057
-	-	-	-	2,781,567
-	1,693,042	-	-	6,772,170
-	-	-	144,160	144,160
-	-	-	-	1,877,000
-	-	-	384,371	2,182,709
-	50,000	201,022	76,727	678,251
-	-	-	-	56,943
-	-	-	7,141	88,139
13,950	57,478	133,923	98,402	621,564
-	-	-	124,493	124,493
-	-	-	-	2,517,285
-	-	-	-	19,939
<u>13,950</u>	<u>1,800,520</u>	<u>334,945</u>	<u>835,294</u>	<u>20,190,569</u>
-	-	-	(3,180)	3,751,223
-	-	-	388,235	686,570
-	-	-	-	5,092,132
-	-	-	10,834	1,480,598
-	267,250	-	-	3,709,624
-	-	-	471,514	471,514
-	431,883	3,928,032	366,491	6,303,462
1,175,000	755,000	-	26,283	2,049,601
63,846	164,135	-	7,999	240,913
2,500	1,000	-	-	3,500
<u>1,241,346</u>	<u>1,619,268</u>	<u>3,928,032</u>	<u>1,268,176</u>	<u>23,789,137</u>
(1,227,396)	181,252	(3,593,087)	(432,882)	(3,598,568)
<u>1,167,216</u>	<u>(269,760)</u>	<u>(164,828)</u>	<u>1,290,854</u>	<u>(305,678)</u>
(60,180)	(88,508)	(3,757,915)	857,972	(3,904,246)
813,862	2,251,233	5,398,438	2,721,364	22,361,954
<u>\$ 753,682</u>	<u>\$ 2,162,725</u>	<u>\$ 1,640,523</u>	<u>\$ 3,579,336</u>	<u>\$ 18,457,708</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, 2023**

<b>Total net change in fund balances - governmental funds</b>	\$ (3,904,246)
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.	(62,713)
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 (\$6,997,325) exceeded depreciation expense (\$2,821,307) and assets acquired through a financing agreement (\$120,876). Asset additions of \$572,987 were donated by Nebraska Department of Transportation.	4,055,142
Storm repair costs were included in construction in progress at September 30, 2022 pending the receipt of insurance proceeds. These costs were expensed this year when the insurance proceeds were received.	(1,727,007)
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.	127,882
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.	(1,680)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,049,601
<b>Change in net position of governmental activities</b>	<u><u>\$ 536,979</u></u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

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

**September 30, 2023**

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund	Total	Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,720,910	\$ 1,389,486	\$ 1,039,693	\$ 5,150,089	\$ 449,618
Certificates of deposit	6,255,757	3,088,424	2,310,933	11,655,114	999,369
Accounts receivable	170,659	283,235	-	453,894	-
Unbilled revenue	289,354	278,515	-	567,869	-
Accrued interest receivable	33,514	16,253	13,376	63,143	5,259
Due from other funds	190,280	-	-	190,280	-
Prepaid expenses	13,447	20,075	7,681	41,203	-
Inventory	139,428	-	-	139,428	-
Total current assets	9,813,349	5,075,988	3,371,683	18,261,020	1,454,246
Noncurrent assets:					
Restricted cash	111,080	-	-	111,080	-
Restricted certificates of deposit	266,500	-	3,003,704	3,270,204	-
Capital assets:					
Land	24,625	344,330	263,712	632,667	-
Construction in progress	-	21,110	-	21,110	-
Distribution systems	21,877,619	35,588,332	-	57,465,951	-
Buildings and improvements	206,867	-	8,659,203	8,866,070	-
Equipment	1,278,415	5,501,997	3,107,960	9,888,372	-
Vehicles	104,250	570,000	-	674,250	-
Less accumulated depreciation	(9,592,019)	(13,613,631)	(3,968,177)	(27,173,827)	-
Net capital assets	13,899,757	28,412,138	8,062,698	50,374,593	-
Total noncurrent assets	14,277,337	28,412,138	11,066,402	53,755,877	-
<b>Total assets</b>	24,090,686	33,488,126	14,438,085	72,016,897	1,454,246
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	87,910	119,872	80,031	287,813	1,623
Claims incurred but not paid	-	-	-	-	45,241
Accrued wages and vacation	26,163	19,880	15,373	61,416	-
Accrued interest payable	26,676	82,987	12,529	122,192	-
Sales tax payable	9,457	17,484	-	26,941	-
Customer deposits	111,080	-	-	111,080	-
Current portion of long-term obligations	610,756	1,057,317	265,000	1,933,073	-
Total current liabilities	872,042	1,297,540	372,933	2,542,515	46,864
Noncurrent liabilities:					
Noncurrent compensated absences	22,687	12,568	646	35,901	-
Accrued closure/post-closure costs	-	-	4,187,277	4,187,277	-
Noncurrent portion of long-term obligations	4,900,417	17,911,098	3,830,000	26,641,515	-
Total noncurrent liabilities	4,923,104	17,923,666	8,017,923	30,864,693	-
<b>Total liabilities</b>	5,795,146	19,221,206	8,390,856	33,407,208	46,864
<b>NET POSITION</b>					
Net investment in capital assets	8,388,584	9,443,723	3,967,698	21,800,005	-
Restricted for debt service	266,500	-	-	266,500	-
Unrestricted	9,640,456	4,823,197	2,079,531	16,543,184	1,407,382
<b>Total net position</b>	\$18,295,540	\$14,266,920	\$6,047,229	\$38,609,689	\$1,407,382

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, 2023**

	Enterprise Funds			Total	Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund		
<b>Operating revenues:</b>					
Sales	\$ 2,240,850	\$ 3,452,269	\$ 1,827,167	\$ 7,520,286	\$ -
Services charges	32,188	23,866	-	56,054	-
Tap fees	5,040	-	-	5,040	-
Rent income	209,185	-	12,641	221,826	-
Health insurance premiums	-	-	-	-	1,727,130
Insurance proceeds	11,506	-	-	11,506	-
Other revenue	26,645	3,945	-	30,590	-
Total operating revenues	<u>2,525,414</u>	<u>3,480,080</u>	<u>1,839,808</u>	<u>7,845,302</u>	<u>1,727,130</u>
<b>Operating expenses:</b>					
Personnel	517,240	539,594	448,167	1,505,001	-
Insurance	25,274	48,945	21,118	95,337	-
Professional fees	25,922	66,202	131,909	224,033	-
Meetings, seminars, and dues	1,722	1,079	495	3,296	-
Repairs and maintenance	123,860	207,270	109,587	440,717	-
Contract services	3,206	33,264	90,649	127,119	-
Transportation	7,651	13,600	75,045	96,296	-
Utilities and telephone	91,363	226,746	23,986	342,095	-
Supplies	14,240	50,695	10,312	75,247	-
Closure/post-closure costs	-	-	168,135	168,135	-
Farm rental expenses	89,924	-	-	89,924	-
Other expenses	120,209	69,944	9,430	199,583	-
Depreciation	691,771	1,475,995	435,569	2,603,335	-
Insurance claims/health premiums	-	-	-	-	1,644,988
Total operating expenses	<u>1,712,382</u>	<u>2,733,334</u>	<u>1,524,402</u>	<u>5,970,118</u>	<u>1,644,988</u>
Operating income	813,032	746,746	315,406	1,875,184	82,142
<b>Nonoperating revenues (expenses):</b>					
Interest income	292,737	131,380	187,142	611,259	45,740
Grant income	24,666	-	41,532	66,198	-
Gain on sale of assets	259,784	-	-	259,784	-
Interest expense	(92,496)	(293,633)	(61,660)	(447,789)	-
Bond/DEE loan fees	(28,254)	(138,254)	(500)	(167,008)	-
Total nonoperating revenues (expenses)	<u>456,437</u>	<u>(300,507)</u>	<u>166,514</u>	<u>322,444</u>	<u>45,740</u>
Income before interfund transfers	1,269,469	446,239	481,920	2,197,628	127,882
<b>Interfund transfers:</b>					
Transfer from other funds	<u>305,678</u>	<u>-</u>	<u>-</u>	<u>305,678</u>	<u>-</u>
<b>Change in net position</b>	1,575,147	446,239	481,920	2,503,306	127,882
Net position - September 30, 2022	<u>16,720,393</u>	<u>13,820,681</u>	<u>5,565,309</u>	<u>36,106,383</u>	<u>1,279,500</u>
Net position - September 30, 2023	<u>\$ 18,295,540</u>	<u>\$ 14,266,920</u>	<u>\$ 6,047,229</u>	<u>\$ 38,609,689</u>	<u>\$ 1,407,382</u>

See notes to financial statements.

**CITY OF YORK, NEBRASKA**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS**

**For the year ended September 30, 2023**

	<u>Water Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 2,518,297
Receipts from employees and other funds	-
Payments to suppliers	(654,286)
Payments to employees	(511,868)
Net cash provided (used) by operating activities	1,352,143
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers from other funds	305,678
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of property and equipment	(544,058)
Proceeds from sale of assets	69,504
Increase in accrued closure/post-closure costs	-
Grant funds received	34,666
Payment of loan administration fees	(28,254)
Principal payments on capital debt	(609,633)
Interest paid on capital debt	(94,731)
Net cash used by capital and related financing activities	(1,172,506)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
(Increase) decrease in certificates of deposit	(1,190,553)
Increase in restricted cash	(1,480)
Increase in restricted certificates of deposit	-
Interest received	262,618
Net cash provided (used) by investing activities	(929,415)
Decrease in cash and cash equivalents	(444,100)
Cash and cash equivalents - beginning of the year	3,165,010
Cash and cash equivalents - end of the year	\$ 2,720,910

Enterprise Funds			Internal Service Fund
Sewer Fund	Landfill Fund	Total	
\$ 3,468,573	\$ 1,839,820	\$ 7,826,690	\$ -
-	-	-	1,727,130
(665,568)	(704,071)	(2,023,925)	(1,738,456)
(533,266)	(451,003)	(1,496,137)	-
<u>2,269,739</u>	<u>684,746</u>	<u>4,306,628</u>	<u>(11,326)</u>
-	-	305,678	-
(71,192)	(1,366,141)	(1,981,391)	-
-	-	69,504	-
-	168,135	168,135	-
-	41,532	76,198	-
(138,254)	(500)	(167,008)	-
(1,115,626)	(404,467)	(2,129,726)	-
(299,311)	(65,336)	(459,378)	-
(1,624,383)	(1,626,777)	(4,423,666)	-
(781,243)	401,907	(1,569,889)	(118,165)
-	-	(1,480)	-
-	(252,413)	(252,413)	-
116,539	175,687	554,844	41,020
<u>(664,704)</u>	<u>325,181</u>	<u>(1,268,938)</u>	<u>(77,145)</u>
(19,348)	(616,850)	(1,080,298)	(88,471)
1,408,834	1,656,543	6,230,387	538,089
<u>\$ 1,389,486</u>	<u>\$ 1,039,693</u>	<u>\$ 5,150,089</u>	<u>\$ 449,618</u>



**CITY OF YORK, NEBRASKA**

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

**For the year ended September 30, 2023**

	<u>Water Fund</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>	
Operating income	\$ 813,032
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	691,771
Change in assets and liabilities:	
Accounts receivable and unbilled revenue	(5,680)
Prepaid expenses	(5,490)
Inventories	(67,475)
Accounts payable	(77,950)
Claims incurred but not paid	-
Accrued expenses	5,372
Sales tax payable	(2,917)
Customer deposits	1,480
Net cash provided (used) by operating activities	<u>\$ 1,352,143</u>

See notes to financial statements.

<u>Enterprise Funds</u>				Internal
<u>Sewer</u>	<u>Landfill</u>		<u>Total</u>	<u>Service</u>
<u>Fund</u>	<u>Fund</u>			<u>Fund</u>
\$ 746,746	\$ 315,406		\$ 1,875,184	\$ 82,142
1,475,995	435,569		2,603,335	-
(11,222)	12		(16,890)	-
1,181	1,647		(2,662)	-
-	-		(67,475)	-
50,996	(65,052)		(92,006)	1,623
-	-		-	(95,091)
6,328	(2,836)		8,864	-
(285)	-		(3,202)	-
-	-		1,480	-
<u>\$ 2,269,739</u>	<u>\$ 684,746</u>		<u>\$ 4,306,628</u>	<u>\$ (11,326)</u>

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS**

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**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2023**

**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 1877. The City operates under a City Council form of government with an elected chief executive, Mayor, and an elected legislative body, Council, composed of eight members. The Mayor is elected at large for a four-year term, and the eight 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, 2023**

**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, 2023**

**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, 2023**

**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.
Capital Projects Fund	See above for description.

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Nonmajor Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Major, continued:</i>	
Proprietary:	
Enterprise:	
Water, Sewer, and Landfill	See page 29 for description.
<i>Nonmajor:</i>	
Governmental:	
Aviation Fund	This Special Revenue Fund accounts for airport operations.
Keno Fund	This Special Revenue Fund accounts for keno proceeds held for community betterment.
Sinking Fund	This Special Revenue Fund accounts for land purchases and development.
Fire Station Sinking Fund	This Special Revenue Fund accounts for revenues and expenses related to the new fire station.
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, 2023**

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

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

**Measurement Focus**

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

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

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

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, except for property tax. Property tax revenue is recorded when the tax is received by the County Treasurer. Right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified accrual basis financial statements.

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

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**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, 2023**

**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	\$ 792,553	Sales Tax
General	3,719	Federal Grants
Street	67,108	Sales Tax
LB357	286,554	Sales Tax
	<u>\$1,149,934</u>	

**Inventory**

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

**Restricted Assets**

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

**Capital Assets**

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

*Government-wide Statements*

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**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, 2023**

**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 does not meet the definition of “restricted” or “net investment in capital assets.”

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**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, 2023**

**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 20. 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 2022-2023 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, 2023**

**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, 2023**

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

**3. Revenue Restrictions**

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

**4. Debt Restrictions and Covenants**

*Bonds Payable*

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

**5. Budgetary Data**

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

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

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

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**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 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of York adopts a budget by resolution for all funds.

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

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

**1. Cash and Certificates of Deposit**

**Deposits**

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2023. The categories of collateral are defined as follows:

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**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	\$ 41,141,869	\$ 2,695,167	\$ 38,446,702	\$ -	\$ <u>41,091,325</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents	\$ 7,794,017
Unrestricted certificates of deposit	18,433,592
Restricted cash and cash equivalents	3,771,751
Restricted certificates of deposit	<u>9,858,408</u>
Total primary government	39,857,768

Component Unit –

Unrestricted cash and cash equivalents	127,968
Unrestricted certificates of deposit	<u>1,105,589</u>
Total component unit	<u>1,233,557</u>

Total	\$ <u>41,091,325</u>
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**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

**2. Restricted Assets**

The restricted assets as of September 30, 2023, 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	\$ 3,660,671	\$ 111,080	\$ 3,771,751	\$ -
Certificates of deposit	<u>6,588,204</u>	<u>3,270,204</u>	<u>9,858,408</u>	<u>-</u>
	<u>\$ 10,248,875</u>	<u>\$ 3,381,284</u>	<u>\$ 13,630,159</u>	<u>\$ -</u>

The governmental restricted assets consist of the following: \$469,279 in the General Fund for Federal programs, \$72,077 in the General Fund for public safety, \$4,451 in the General Fund for recreation, \$3,687,892 in the Street Fund for street operations and improvements, \$411,661 in the CDBG Fund for federal programs, \$769,018 in the Debt Service Fund for debt service, \$2,159,990 in the LB 357 Fund for capital projects, \$1,769 in the Keno Fund for community betterment, \$45,981 in the E911 Fund for public safety, \$2,203,470 in the Capital Projects Fund for capital projects, and \$423,287 in the TIF Fund for economic development.

Restricted assets for business-type funds consist of \$111,080 restricted cash for customer deposits in the Water Fund, \$266,500 of Water Fund certificates of deposit restricted for debt service, and \$3,003,704 of Landfill Fund certificates of deposit restricted for closure and post-closure costs.

**3. Accounts and Other Receivables**

Governmental receivables detail at September 30, 2023, is as follows:

	<u>Governmental Activities</u>
Accounts receivable - ambulance	\$ 314,340
Hotel occupation tax receivable	97,901
Other governmental accounts receivable	<u>88,843</u>
 Total governmental accounts receivable	 <u>\$ 501,084</u>

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

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

**September 30, 2023**

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

**4. Notes Receivable**

Notes receivable at September 30, 2023, 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. This note was paid in full during the year ended September 30, 2023.	\$ -
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>-</u>
Total CDBG notes receivable	-

Economic Development notes:

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>26,371</u>
	\$ <u>26,371</u>
Current portion	\$ 6,409
Noncurrent portion	<u>19,962</u>
Total	\$ <u>26,371</u>

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

**5. Capital Assets**

Capital asset activity for the year ended September 30, 2023, was as follows:

	Balance at October 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2023</u>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 1,662,172	\$ 253,707	\$ -	\$ -	\$ 1,915,879
Construction in progress	<u>2,537,167</u>	<u>5,177,377</u>	<u>(1,727,007)</u>	<u>(25,880)</u>	<u>5,961,657</u>
Total capital assets not being depreciated	4,199,339	5,431,084	(1,727,007)	(25,880)	7,877,536
Other capital assets being depreciated:					
Infrastructure	14,446,802	-	-	-	14,446,802
Buildings and improvements	33,364,509	271,810	-	25,880	33,662,199
Equipment	4,375,759	978,980	(16,710)	-	5,338,029
Vehicles	<u>4,193,444</u>	<u>315,451</u>	<u>(106,438)</u>	<u>-</u>	<u>4,402,457</u>
Total other capital assets at historical cost	56,380,514	1,566,241	(123,148)	25,880	57,849,487
Less accumulated depreciation for:					
Infrastructure	(7,740,493)	(884,637)	-	-	(8,625,130)
Buildings and improvements	(10,791,485)	(1,304,179)	-	-	(12,095,664)
Equipment	(2,895,874)	(333,479)	16,710	-	(3,212,643)
Vehicles	<u>(3,162,333)</u>	<u>(299,012)</u>	<u>106,438</u>	<u>-</u>	<u>(3,354,907)</u>
Total accumulated depreciation	<u>(24,590,185)</u>	<u>(2,821,307) *</u>	<u>123,148</u>	<u>-</u>	<u>(27,288,344)</u>
Other capital assets, net	<u>31,790,329</u>	<u>(1,255,066)</u>	<u>-</u>	<u>25,880</u>	<u>30,561,143</u>
Governmental activities capital assets, net	<u>\$ 35,989,668</u>	<u>\$ 4,176,018</u>	<u>\$ (1,727,007)</u>	<u>\$ -</u>	<u>\$ 38,438,679</u>

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

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

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

5. Capital Assets, continued

Governmental Activities, continued:

General Fund:

General government:

Administration \$ 19,604

Public safety:

Police 83,695

Fire/EMS 237,187

Total public safety 320,882

Environment and leisure:

Auditorium 193,417

Ball Field Complex 498,555

Community Center 29,905

Convention Center 336,177

Library 59,863

Park 75,593

Pool 144,473

Senior Center 11,336

Total environment and leisure 1,349,319

Total General Fund 1,689,805

Special Revenue Funds:

Airport 172,405

Street 959,097

Total Governmental Activities  
depreciation expense \$ 2,821,307

Construction in progress at September 30, 2023, consists of \$1,674,028 of costs on the Blackburn Bridge project, \$3,096,416 of costs on the street improvements and ADA ramp project, \$83,466 of costs on the airport runway rehab project, \$842,747 of costs on the pedestrian safety access project, \$65,000 down payment on the fire/EMS land purchase, and \$200,000 down payment on the Industrial Park land purchase. See Note D3 for details of commitments in place on these projects as of September 30, 2023.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

**5. Capital Assets, continued**

	Balance at October 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2023</u>
<b><u>Business-type Activities:</u></b>					
Capital assets not being depreciated:					
Land	\$ 632,667	\$ -	\$ -	\$ -	\$ 632,667
Construction in progress	2,736,453	21,110	-	(2,736,453)	21,110
Total capital assets not being depreciated	3,369,120	21,110	-	(2,736,453)	653,777
Other capital assets being depreciated:					
Distribution systems	56,975,604	490,347	-	-	57,465,951
Buildings and improvements	5,601,492	528,125	-	2,736,453	8,866,070
Equipment	9,775,320	127,613	(14,561)	-	9,888,372
Vehicles	674,250	-	-	-	674,250
Total other capital assets at historical cost	73,026,666	1,146,085	(14,561)	2,736,453	76,894,643
Less accumulated depreciation for:					
Distribution systems	(15,329,236)	(1,913,860)	-	-	(17,243,096)
Buildings and improvements	(2,452,134)	(159,069)	-	-	(2,611,203)
Equipment	(6,416,826)	(474,427)	14,561	-	(6,876,692)
Vehicles	(386,857)	(55,979)	-	-	(442,836)
Total accumulated depreciation	(24,585,053)	(2,603,335) *	14,561	-	(27,173,827)
Other capital assets, net	48,441,613	(1,457,250)	-	2,736,453	49,720,816
Business-type capital assets, net	\$ 51,810,733	\$ (1,436,140)	\$ -	\$ -	\$ 50,374,593

\*Depreciation expense was charged to functions as follows:

Water	\$ 691,771
Sewer	1,475,995
Landfill	<u>435,569</u>
Total Business-type Activities depreciation expense	<u>\$ 2,603,335</u>

Construction in progress at September 30, 2023, consists of \$21,110 of costs incurred on the Nobes Road sewer extension design project. See Note D3 for details of commitments in place on this project as of September 30, 2023.



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

**5. Capital Assets, continued**

	Balance at October 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance at September 30, <u>2023</u>
<b><u>Kilgore Library Foundation:</u></b>				
Land	\$ 35,840	\$ 95,407	\$ -	\$ 131,247

**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, <u>2022</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2023</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds payable	\$ 21,145,000	\$ -	\$ (1,930,000)	\$ 19,215,000	\$ 1,780,000
Notes payable	190,390	120,876	(119,601)	191,665	78,529
Total	<u>\$ 21,335,390</u>	<u>\$ 120,876</u>	<u>\$ (2,049,601)</u>	<u>\$ 19,406,665</u>	<u>\$ 1,858,529</u>
<b>Business-type Activities:</b>					
Bonds payable	\$ 6,675,000	\$ -	\$ (570,000)	\$ 6,105,000	\$ 565,000
Notes payable	23,889,847	-	(1,420,259)	22,469,588	1,368,073
Financing agreement	139,467	-	(139,467)	-	-
Total	<u>\$ 30,704,314</u>	<u>\$ -</u>	<u>\$ (2,129,726)</u>	<u>\$ 28,574,588</u>	<u>\$ 1,933,073</u>

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

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

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

**Governmental Activities**

As of September 30, 2023, 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. \$ 6,980,000

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. 5,130,000

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. 1,205,000

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

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

**Governmental Activities, continued**

Bonds payable, continued:

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. 770,000

Series 2021B General Obligation Highway Allocation Refunding Bonds for \$5,150,000 dated October 4, 2021 issued to finance street projects. The bonds bear interest ranging from 0.30 to 1.30 percent with final maturity December 15, 2031. Payments are made by the Debt Service Fund. 4,790,000

Series 2021C General Obligation Highway Allocation Refunding Bonds for \$375,000 dated October 4, 2021 issued to finance the bridge project. The bonds bear interest ranging from 0.50 to 0.75 percent with final maturity December 15, 2024. Payments are made by the Debt Service Fund. 215,000

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. 125,000

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

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

**Governmental Activities, continued**

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.

-

Note payable of \$120,876 issued through Motorola Solutions Credit Company LLC to finance the purchase of police radios, bearing interest of 2.89 percent and due in four annual principal and interest installments of \$33,371 commencing June 1, 2023 through June 1, 2026.

94,593

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

97,072

Total governmental activities long-term debt

\$ 19,406,665

Current portion

\$ 1,858,529

Noncurrent portion

17,548,136

Total governmental long-term debt

\$ 19,406,665

**Business-type Activities**

As of September 30, 2023, the long-term debt payable from proprietary fund resources consisted of the following:

Financing agreement:

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

\$ -

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

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

**Business-type Activities, continued**

Notes payable:

Water note payable to the Nebraska Department of Environment and Energy (NDEE), dated December 2009, with original issue amount of \$2,334,605, bearing interest of 2.0 percent. Semi-annual principal and interest payments of \$71,213 plus an administration fee of one percent are due commencing June 15, 2011 through December 15, 2030. 987,367

Water note payable to the NDEE, dated December 2009, with maximum available amount of \$3,655,000, bearing interest of 2.0 percent. Semi-annual principal and interest payments of \$118,404 plus an administration fee of one percent are due commencing December 15, 2020 through June 15, 2035. 2,513,806

Sewer note payable to the NDEE, dated December 2009, with original issue amount of \$23,043,162, bearing interest of 1.5 percent. Semi-annual principal and interest payments of \$668,947 plus an administration fee of 0.70 percent are due commencing June 15, 2020 through June 15, 2039. 18,968,415

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. -

Bonds payable:

Series 2022 York Area Solid Waste Agency Revenue Bonds for \$4,360,000 dated January 24, 2022, issued to finance landfill phase 6 and a scraper. The bonds bear interest ranging from 0.50 to 2.15 percent with final maturity January 15, 2037. 4,095,000

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

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

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

	<u>2,010,000</u>
Total business-type activity debt	\$ <u>28,574,588</u>
Current portion	\$ 1,933,073
Noncurrent portion	<u>26,641,515</u>
Total	\$ <u>28,574,588</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2023, 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>
2024	\$ 1,780,000	\$ 219,662	\$ 78,529	\$ 5,345
2025	1,725,000	209,922	80,703	3,171
2026	1,660,000	198,587	32,433	937
2027	1,685,000	187,620	-	-
2028	1,690,000	174,280	-	-
2029-2033	6,505,000	632,996	-	-
2034-2038	3,195,000	275,268	-	-
2039-2041	975,000	44,475	-	-
	\$ 19,215,000	\$ 1,942,810	\$ 191,665	\$ 9,453

<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>
2024	\$ 565,000	\$ 78,036	\$ 1,368,073	\$ 349,054	\$ 156,292
2025	715,000	73,715	1,390,239	326,888	146,419
2026	730,000	67,830	1,412,770	304,357	136,384
2027	735,000	61,034	1,435,672	281,455	126,185
2028	550,000	54,298	1,458,951	258,176	115,820
2029-2033	1,730,000	173,816	7,294,361	935,211	421,206
2034-2038	1,080,000	46,256	6,786,531	374,644	173,142
2039	-	-	1,322,991	14,902	6,954
	\$ 6,105,000	\$ 554,985	\$ 22,469,588	\$ 2,844,687	\$ 1,282,402

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

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

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

State and federal laws and regulations require the City of York to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities at the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount the landfill used during the year. The estimated liability for landfill closure is \$2,411,880, with post-closure care costs of \$1,398,749, for a total of \$3,810,629 as of September 30, 2023, which is based on 81.1 percent usage of Phases 1-5 of the landfill, with a remaining estimated life 39.5 years for Phases 6-10. The estimated liability for construction and demolition landfill closure is \$279,180, with post-closure care costs of \$24,938 for a total of \$304,118 as of September 30, 2023. The estimated liability for the old landfill post-closure care costs is \$72,530 as of September 30, 2023.

It is estimated that an additional \$1,077,813 and \$371,803, respectively, will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post-closure care of \$5,636,893 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, 2023. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

At September 30, 2023, restricted funds of \$3,003,704 are set aside to finance closure and post-closure care of the City's landfill. It is anticipated that future inflation costs will be financed in part from earnings on funds reserved by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

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

**8. Interfund Transactions and Balances**

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
To Street	\$ -	\$ 1,160,718
To Debt Service	-	1,002,388
To Water	-	305,678
From LB357	269,760	-
To Sinking (nonmajor)	-	860,004
To Fire Station Sinking (nonmajor)	-	430,850
Total General Fund	269,760	3,759,638
Street Fund:		
From General	1,160,718	-
LB357 Fund:		
To General	-	269,760
Debt Service Fund:		
From General	1,002,388	-
From Capital Projects	164,828	-
Total Debt Service Fund	1,167,216	-
Capital Projects Fund		
To Debt Service	-	164,828
Nonmajor Governmental Funds:	1,290,854	-
Water Fund:		
From General	305,678	-
	\$ 4,194,226	\$ 4,194,226



**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**NOTE D – OTHER NOTES**

**1. Retirement Benefits**

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

**General City Employees** – General city employees are covered by a defined contribution plan. Under the terms of the plan, an employee must be age 21 or older. Participating employees are required to contribute 6.5 percent of their earnings, and may make additional voluntary contributions to the plan. The City is required to match the 6.5 percent contributions to the plan. Employees are 100 percent vested in the plan after they complete five years of service, reach normal retirement age (65), meet the requirements for early retirement date, become totally disabled, or die, whichever occurs first. The covered payroll was \$3,079,352, with the City contributing \$200,158 and the employees contributing \$203,007 for the year ended September 30, 2023.

**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 \$1,251,373 with the City contributing \$129,188 and the employees contributing \$68,192 for the year ended September 30, 2023.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**NOTE D – OTHER NOTES, continued**

**1. Retirement Benefits, continued**

**Police Officers** - Under Nebraska statutes, the City is required to maintain a retirement plan for City policemen. The total contributions under this plan are deposited under a money purchase retirement plan. This plan requires that covered employees and the City contribute an amount equal to 7.0 percent of the employee's monthly salary until such employee becomes eligible for regular retirement, at which time contributions shall cease. Total covered payroll was \$1,295,889. Both the City's contribution of \$90,712 and the employees' contributions of \$91,826 were made for the year ended September 30, 2023.

**City Administration** – The City attorney was covered by a defined contribution retirement plan. The employees' contribution to the plan is voluntary, with the City contributing 6.5 percent of covered payroll. The participants accounts are fully vested. Contributions totaled \$19,914 (\$4,965 employer and \$14,949 employee) on \$76,391 of covered payroll.

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

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

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

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

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**NOTE D – OTHER NOTES, continued**

**2. Risk Management**

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

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2023, are held by banks in the name of the City. The City's investments consist of only certificates of deposit.

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

<u>Maturities by Month</u>	<u>Amount</u>
October 2023	\$ 9,640,578
November 2023	483,534
December 2023	1,101,316
March 2024	4,901,587
April 2024	866,758
June 2024	3,701,939
July 2024	925,991
August 2024	979,289
September 2024	<u>5,691,008</u>
	<u>\$ 28,292,000</u>

CITY OF YORK, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2023

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

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

*Concentration of Credit Risk.* The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2023, the City’s certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Cornerstone Bank	\$ 10,889,699
Midwest Bank	483,536
York State Bank	583,852
Henderson State Bank	<u>16,334,913</u>
	<u>\$ 28,292,000</u>

*Foreign Currency Risk.* This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2023.

3. Commitments and Contingencies

Lease Commitments

The City had the following lease commitments at September 30, 2023:

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

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**NOTE D – OTHER NOTES, continued**

**3. Commitments and Contingencies, continued**

**Contractual Commitments**

At September 30, 2023, the City had the following commitments for capital assets:

	<u>Contract Amount</u>	<u>Incurred as of September 30, 2023</u>	<u>Remaining Commitment</u>	<u>Expected Completion</u>
Blackburn Bridge project:				
Engineering	\$ 201,616	\$ 199,709	\$ 1,907	
Contractor	1,475,540	1,415,102	60,438	
Total	<u>1,677,156</u>	<u>1,614,811</u>	<u>62,345</u>	December 2024
Street improvements and ADA ramp project:				
Engineer	629,477	600,111	29,366	
Contractors	4,110,714	2,245,321	1,865,393	
Total	<u>4,740,191</u>	<u>2,845,432</u>	<u>1,894,759</u>	July 2024
Airport runway rehab:				
Engineer	164,795	83,446	81,349	September 2025
Pedestrian safety access project:				
Nebraska Dept of Transportation	728,030	300,760	427,270	September 2027
Fire/EMS land purchase	325,000	65,000	260,000	July 2024
Industrial Park land purchase	3,600,000	200,000	3,400,000	November 2028
Norbes Rd sewer extension design:				
Engineer	42,000	28,649	13,351	December 2023
	<u>\$ 11,277,172</u>	<u>\$ 5,138,098</u>	<u>\$ 6,139,074</u>	

**Litigation**

Various claims and lawsuits are pending against the City. In the opinion of City management, the potential loss on all claims and lawsuits as of September 30, 2023, will not be significant to the City's financial statements.

**CITY OF YORK, NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2023**

**NOTE D – OTHER NOTES, continued**

**4. Interlocal Agreements**

The City had the following interlocal agreements in effect as of September 30, 2023:

<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 December 2024	York flood mitigation and resiliency plan
York County	Continuous	York County Aging Services (Busy Wheels)
Seward County	Continuous	Zeurcher system
Upper Big Blue Natural Resources District	August 2021 through December 2023	Peyton Parker Lane Playground
Upper Big Blue Natural Resources District	December 2022 through December 2027	Project Grow

**5. CDBG Housing Loans**

At September 30, 2023, the City has 12 outstanding CDBG Down Payment Assistance (DPA) loans totaling \$156,498. The DPA loans are due when the related property sells. None of these loans are recorded as assets of the City.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**NOTE D – OTHER NOTES, continued**

**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.

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, 2023 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2023 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2023</u>
Levander's of York	10	\$ 381,302	\$ 8,261
Beaver Creek	10	511,725	13,136
Nutrition Service	11	2,142,031	40,343
Creekside Apartments	12	4,351,574	75,460
Bukaska Builders	12	375,747	<u>6,960</u>
			\$ <u>144,160</u>

**7. Related Party Transactions**

The City purchased office supplies of \$41,759 and plumbing services of \$300,865 from businesses owned by two Council members during the year ended September 30, 2023.

**CITY OF YORK, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2023**

**NOTE D – OTHER NOTES, continued**

**8. Subsequent Events**

Management has evaluated subsequent events through January 12, 2024, the date on which the financial statements were available for issue.

On October 5, 2023, Council approved the \$703,245 design/bid/build agreement for the fire station with The Schemmer Associates, Inc., and approved the issuance of \$14 million Limited Sales and Property Tax Supported Infrastructure Bonds for the fire station construction and additions to Levitt Stadium and parks.

On October 19, 2023, Council approved a \$101,044 bid from Tilley Sprinklers and Landscaping for irrigation sprinklers for the soccer complex, a \$78,785 quote from Play and Park Structures for the East Hill Park playground equipment, and a proposal from Pro Track and Tennis, Inc. to resurface the Harrison Park tennis courts for \$35,900 and the East Hill Park tennis courts for \$79,100.

On November 2, 2023, Council approved a \$267,051 bid from Superior Recreational Products for the Ballpark Complex sun shades.



**SUPPLEMENTARY AND OTHER INFORMATION**

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

**Year ended September 30, 2023**

	<u>Budget</u> (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Taxes:			
Property	\$ 1,967,609	\$ 2,068,328	\$ 100,719
Motor vehicle	220,000	222,964	2,964
Occupation/franchise	2,475,000	2,781,567	306,567
Sales tax	4,049,100	4,752,250	703,150
Intergovernmental	536,929	588,215	51,286
Charges for services	1,392,081	1,686,102	294,021
Grants	894,000	46,653	(847,347)
Contributions	53,500	80,998	27,498
Interest income	15,000	194,693	179,693
Insurance proceeds	10,000,000	2,510,716	(7,489,284)
Other	13,700	15,675	1,975
	21,616,919	14,948,161	(6,668,758)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Administrative	11,241,069	4,118,612	(7,122,457)
Public safety:			
Police	2,923,697	2,581,541	(342,156)
Fire/EMS	2,881,426	2,855,788	(25,638)
Police pension	103,913	73,840	(30,073)
Fire pension	201,141	180,629	(20,512)
Total public safety	6,110,177	5,691,798	(418,379)
Environment and leisure:			
Auditorium	173,901	162,888	(11,013)
Parks	1,437,305	595,468	(841,837)
Community center	743,834	738,938	(4,896)
Aquatic center	388,281	376,007	(12,274)
Ball park	514,183	536,661	22,478
Senior center	19,342	20,084	742
Convention center	713,380	640,868	(72,512)
Museum	78,369	72,576	(5,793)
Library	1,019,450	635,243	(384,207)
Total environment and leisure	5,088,045	3,778,733	(1,309,312)
Total charges to appropriations	22,439,291	13,589,143	(8,850,148)
Revenues over (under) charges to appropriations before transfers	(822,372)	1,359,018	2,181,390
<b>TRANSFERS TO OTHER FUNDS</b>	(3,134,543)	(3,489,878)	(355,335)
<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS AND TRANSFERS</b>	\$ (3,956,915)	\$ (2,130,860)	\$ 1,826,055

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2023**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Special assessments	\$ 18,800	\$ 36,189	\$ 17,389
Sales tax	302,500	436,154	133,654
Intergovernmental	1,224,903	1,281,474	56,571
Charges for services	22,387	4,236	(18,151)
Grants	10,000	-	(10,000)
Interest income	5,000	92,616	87,616
Insurance proceeds	-	6,569	6,569
Other	10,000	4,264	(5,736)
	<hr/>	<hr/>	<hr/>
Total resources	1,593,590	1,861,502	267,912
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Street operations and maintenance	1,983,855	1,636,648	(347,207)
Capital outlay	770,453	240,293	(530,160)
Principal payments on debt	-	93,318	93,318
Interest expense	-	5,822	5,822
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,754,308	1,976,081	(778,227)
Revenues under charges to appropriations before transfers	(1,160,718)	(114,579)	1,046,139
<b>TRANSFERS FROM OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	1,160,718	1,160,718	-
<b>RESOURCES AND TRANSFERS OVER CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 1,046,139	\$ 1,046,139

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2023**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Grants	\$ 700,000	\$ 327,812	\$ (372,188)
Loan collections	37,602	56,943	19,341
Interest income	50	796	746
	<hr/>	<hr/>	<hr/>
Total resources	737,652	385,551	(352,101)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Economic development	1,030,962	296,028	(734,934)
	<hr/>	<hr/>	<hr/>
<b>RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS</b>	<hr/> <b>\$ (293,310)</b> <hr/>	<hr/> <b>\$ 89,523</b> <hr/>	<hr/> <b>\$ 382,833</b> <hr/>

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2023**

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Interest income	\$ -	\$ 11,445	\$ 11,445
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Principal payments	1,175,000	1,175,000	-
Interest expense	68,268	68,268	-
Bond fees	2,500	2,500	-
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,245,768	1,245,768	-
Revenues under charges to appropriations before transfers	(1,245,768)	(1,234,323)	11,445
<b>TRANSFERS FROM OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	1,245,768	1,167,216	(78,552)
<b>RESOURCES AND TRANSFERS UNDER CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ -	\$ (67,107)	\$ (67,107)

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2023**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Sales tax	\$ 1,379,950	\$ 1,726,302	\$ 346,352
Grants	-	105,000	105,000
Interest income	-	50,486	50,486
	<hr/>	<hr/>	<hr/>
Total resources	1,379,950	1,881,788	501,838
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Environment and leisure	-	267,250	267,250
Capital outlay	977,107	490,661	(486,446)
Principal payments	755,000	755,000	-
Interest expense	165,583	165,582	(1)
Bond fees	1,000	1,000	-
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,898,690	1,679,493	(219,197)
Revenues over (under) charges to appropriations before transfers	(518,740)	202,295	721,035
<b>TRANSFERS TO OTHER FUNDS</b>	<hr/>	<hr/>	<hr/>
	-	(269,760)	(269,760)
<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS</b>	<hr/>	<hr/>	<hr/>
	\$ (518,740)	\$ (67,465)	\$ 451,275

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2023**

	<u>Budget</u> (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
<b>RESOURCES (INFLOWS)</b>			
Grants	\$ 660,000	\$ 201,022	\$ (458,978)
Interest income	20,000	127,997	107,997
	<hr/>	<hr/>	<hr/>
Total resources	680,000	329,019	(350,981)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Capital outlay	4,910,000	3,416,941	(1,493,059)
	<hr/>	<hr/>	<hr/>
Revenues under charges to appropriations before transfers	(4,230,000)	(3,087,922)	1,142,078
<b>TRANSFERS TO OTHER FUNDS</b>			
	<hr/>	<hr/>	<hr/>
<b>RESOURCES UNDER CHARGES TO APPROPRIATIONS</b>	<u>\$ (4,392,183)</u>	<u>\$ (3,252,750)</u>	<u>\$ 1,139,433</u>

**CITY OF YORK, NEBRASKA**

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

**Year ended September 30, 2023**

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

	<u>General</u> <u>Fund</u>	<u>Street</u> <u>Fund</u>	<u>CDBG</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>LB 357</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>
<b>Sources/inflows of resources:</b>						
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 14,948,161	\$ 1,861,502	\$ 385,551	\$ 11,445	\$ 1,881,788	\$ 329,019
Differences - budget to MAB:						
Cash to MAB adjustments	<u>45,181</u>	<u>(11,432)</u>	<u>(23,103)</u>	<u>2,505</u>	<u>(81,268)</u>	<u>5,926</u>
Total revenues as reported on the statement of revenues, expen- ditures, and changes in fund balances - governmental funds	<u><u>\$ 14,993,342</u></u>	<u><u>\$ 1,850,070</u></u>	<u><u>\$ 362,448</u></u>	<u><u>\$ 13,950</u></u>	<u><u>\$ 1,800,520</u></u>	<u><u>\$ 334,945</u></u>
<b>Uses/outflows of resources:</b>						
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 13,589,143	\$ 1,976,081	\$ 296,028	\$ 1,245,768	\$ 1,679,493	\$ 3,416,941
Differences - budget to MAB:						
Cash to MAB adjustments	<u>36,529</u>	<u>(167,773)</u>	<u>2,307</u>	<u>(4,422)</u>	<u>(60,225)</u>	<u>511,091</u>
Total expenditures as reported on the statement of revenues, expen- ditures, and changes in fund balances - governmental funds	<u><u>\$ 13,625,672</u></u>	<u><u>\$ 1,808,308</u></u>	<u><u>\$ 298,335</u></u>	<u><u>\$ 1,241,346</u></u>	<u><u>\$ 1,619,268</u></u>	<u><u>\$ 3,928,032</u></u>



**CITY OF YORK, NEBRASKA**

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

**September 30, 2023**

	Special Revenue Funds		
	Aviation Fund	Keno Fund	Sinking Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 120,659	\$ 549	\$ 694,139
Certificates of deposit	268,189	1,220	1,542,869
Accounts receivable	868	-	-
Inventory	37,200	-	-
Accrued interest receivable	1,412	7	8,120
Prepaid insurance	8,009	-	-
	<b>Total assets</b>	<b>\$ 1,776</b>	<b>\$ 2,245,128</b>
	<b>\$ 436,337</b>	<b>\$ 1,776</b>	<b>\$ 2,245,128</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,762	\$ -	\$ -
Accrued interest payable	-	-	-
Accrued wages and vacation	2,618	-	-
	6,380	-	-
Fund balances:			
Nonspendable:			
Prepaid assets	8,009	-	-
Restricted for:			
Economic development	-	-	-
Community betterment	-	1,776	-
Public safety	-	-	-
Assigned for:			
Industrial Park development	-	-	2,245,128
Fire station	-	-	-
Airport	421,948	-	-
	429,957	1,776	2,245,128
	<b>Total fund balances</b>	<b>1,776</b>	<b>2,245,128</b>
	<b>\$ 436,337</b>	<b>\$ 1,776</b>	<b>\$ 2,245,128</b>
<b>Total liabilities and fund balances</b>			

Special Revenue Funds			Total Nonmajor Governmental Funds
Fire Station Sinking Fund	E911 Fund	TIF Fund	
\$ 133,692	\$ 14,268	\$ 131,345	\$ 1,094,652
297,158	31,713	291,942	2,433,091
-	-	-	868
-	-	-	37,200
1,564	167	1,537	12,807
-	-	-	8,009
<u>\$ 432,414</u>	<u>\$ 46,148</u>	<u>\$ 424,824</u>	<u>\$ 3,586,627</u>
\$ -	\$ -	\$ -	\$ 3,762
-	911	-	911
-	-	-	2,618
<u>-</u>	<u>911</u>	<u>-</u>	<u>7,291</u>
-	-	-	8,009
-	-	424,824	424,824
-	-	-	1,776
-	45,237	-	45,237
-	-	-	2,245,128
432,414	-	-	432,414
-	-	-	421,948
<u>432,414</u>	<u>45,237</u>	<u>424,824</u>	<u>3,579,336</u>
<u>\$ 432,414</u>	<u>\$ 46,148</u>	<u>\$ 424,824</u>	<u>\$ 3,586,627</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, 2023**

	Special Revenue Funds		
	Aviation Fund	Keno Fund	Sinking Fund
<b>REVENUES</b>			
TIF proceeds	\$ -	\$ -	\$ -
Charges for services	377,865	-	-
Grants	76,727	-	-
Contributions	-	-	-
Interest income	13,453	477	67,369
Sale of property	-	-	124,493
Total revenues	<u>468,045</u>	<u>477</u>	<u>191,862</u>
<b>EXPENDITURES</b>			
General government	-	(3,180)	-
Economic development	-	-	250,000
Public works	-	-	-
Airport	471,514	-	-
Capital outlay	117,938	-	226,997
Principal payments on debt	-	26,283	-
Interest on long-term debt	-	7,088	-
Total expenditures	<u>589,452</u>	<u>30,191</u>	<u>476,997</u>
Excess (deficiency) of revenues over expenditures before transfers	(121,407)	(29,714)	(285,135)
<b>INTERFUND TRANSFERS</b>			
Transfer from other funds	-	-	860,004
<b>Net change in fund balances</b>	(121,407)	(29,714)	574,869
Fund balances - September 30, 2022	<u>551,364</u>	<u>31,490</u>	<u>1,670,259</u>
Fund balances - September 30, 2023	<u>\$ 429,957</u>	<u>\$ 1,776</u>	<u>\$ 2,245,128</u>

Fire Station Sinking Fund	Special Revenue Funds		Total Nonmajor Governmental Funds
	E911 Fund	TIF Fund	
\$ -	\$ -	\$ 144,160	\$ 144,160
-	6,506	-	384,371
-	-	-	76,727
-	-	7,141	7,141
1,564	2,089	13,450	98,402
-	-	-	124,493
<u>1,564</u>	<u>8,595</u>	<u>164,751</u>	<u>835,294</u>
-	-	-	(3,180)
-	-	138,235	388,235
-	10,834	-	10,834
-	-	-	471,514
-	21,556	-	366,491
-	-	-	26,283
-	911	-	7,999
<u>-</u>	<u>33,301</u>	<u>138,235</u>	<u>1,268,176</u>
1,564	(24,706)	26,516	(432,882)
<u>430,850</u>	<u>-</u>	<u>-</u>	<u>1,290,854</u>
432,414	(24,706)	26,516	857,972
<u>-</u>	<u>69,943</u>	<u>398,308</u>	<u>2,721,364</u>
<u>\$ 432,414</u>	<u>\$ 45,237</u>	<u>\$ 424,824</u>	<u>\$ 3,579,336</u>

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

**Year ended September 30, 2023**

	General	Capital Projects	Auditorium	Parks	Police	Community Center
<b>REVENUES</b>						
Taxes:						
General property tax	\$ 2,068,328	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle tax	222,964	-	-	-	-	-
Sales tax	4,672,966	-	-	-	-	-
Occupation/franchise	2,781,567	-	-	-	-	-
Intergovernmental revenue:						
State assistance	112,685	-	-	-	-	-
County funding	-	-	-	-	-	-
Seized property	-	-	-	-	49,856	-
Rural fire district	-	-	-	-	-	-
Charges for services	222,587	-	20,219	-	2,280	202,768
Grants	20,564	-	-	-	13,000	-
Contributions	-	-	-	8,136	-	1,950
Interest income	194,758	-	-	139	418	-
Insurance proceeds	2,409,580	-	-	8,135	85,219	-
Other revenues	6,143	-	-	62	2,540	5,262
Total revenues	<u>12,712,142</u>	<u>-</u>	<u>20,219</u>	<u>16,472</u>	<u>153,313</u>	<u>209,980</u>
<b>EXPENDITURES</b>						
Personnel services:						
Salaries and benefits	683,832	-	80,671	313,326	1,879,966	378,176
Operating expenses:						
Insurance	77,108	-	-	32,204	51,362	8,611
Advertising/publicity	74,063	-	-	-	-	4,825
Contract labor/outside services	52,329	-	8,494	-	33,660	19,374
Rent	-	-	-	-	-	-
Professional fees	115,456	-	-	-	-	-
Meetings, seminars, and dues	59,720	-	-	130	27,675	4,125
Repairs and maintenance	2,560,217	-	9,297	74,779	122,463	61,704
Printing and postage	15,088	-	-	-	-	-
Transportation	-	-	-	7,080	39,778	-
Utilities and telephone	26,396	-	39,611	52,593	291,564	60,244
Total operating expenses	<u>2,980,377</u>	<u>-</u>	<u>57,402</u>	<u>166,786</u>	<u>566,502</u>	<u>158,883</u>
Supplies	12,958	-	23,553	27,647	22,231	53,846
Other expenses	77,236	-	1,262	22,790	13,708	19,591
Capital outlay	7,917	334,760	-	64,919	157,195	128,442
Total expenditures	<u>3,762,320</u>	<u>334,760</u>	<u>162,888</u>	<u>595,468</u>	<u>2,639,602</u>	<u>738,938</u>
Excess (deficiency) of revenues over expenditures before transfers	8,949,822	(334,760)	(142,669)	(578,996)	(2,486,289)	(528,958)
<b>TRANSFERS (TO) FROM OTHER FUNDS</b>	<u>(11,954,581)</u>	<u>140,534</u>	<u>149,401</u>	<u>662,845</u>	<u>2,898,631</u>	<u>618,584</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AFTER TRANSFERS</b>	<u>\$ (3,004,759)</u>	<u>\$ (194,226)</u>	<u>\$ 6,732</u>	<u>\$ 83,849</u>	<u>\$ 412,342</u>	<u>\$ 89,626</u>

Aquatic Center	Ball Park	Senior Center	Convention Center	Fire/EMS	Library	Museum	Police & Fire Pension	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,068,328
-	-	-	-	-	-	-	-	222,964
-	-	-	-	-	-	-	-	4,672,966
-	-	-	-	-	-	-	-	2,781,567
-	-	-	-	-	-	-	-	112,685
-	-	-	-	331,034	17,500	-	-	348,534
-	-	-	-	-	-	-	-	49,856
-	-	-	-	77,140	-	-	-	77,140
107,341	217,915	-	302,547	711,824	6,621	-	-	1,794,102
-	-	-	13,089	-	-	-	-	46,653
-	-	-	-	67,755	3,157	-	-	80,998
-	81	-	-	2,433	480	-	12,849	211,158
-	3,058	-	2,171	2,553	-	-	-	2,510,716
-	2	-	-	1,497	169	-	-	15,675
107,341	221,056	-	317,807	1,194,236	27,927	-	12,849	14,993,342
197,112	253,055	285	290,754	1,603,159	441,402	31,862	254,469	6,408,069
12,661	25,393	-	16,670	84,879	6,272	378	-	315,538
776	2,572	-	-	-	-	-	-	82,236
8,818	19,356	-	23,804	123,211	29,621	3,157	-	321,824
-	-	-	-	-	-	12,000	-	12,000
-	-	-	-	-	-	-	-	115,456
4,423	1,964	-	60	19,652	2,911	-	-	120,660
34,197	57,972	8,556	61,585	78,714	24,475	4,940	-	3,098,899
-	-	-	-	-	2,596	-	-	17,684
-	4,932	-	-	32,687	-	-	-	84,477
52,748	68,878	11,243	86,155	307,478	20,413	5,348	-	1,022,671
113,623	181,067	19,799	188,274	646,621	86,288	25,823	-	5,191,445
42,464	93,012	-	40,801	90,587	11,434	14,471	-	433,004
5,195	9,527	-	22,667	14,888	69,107	420	-	256,391
17,613	-	-	98,372	500,533	27,012	-	-	1,336,763
376,007	536,661	20,084	640,868	2,855,788	635,243	72,576	254,469	13,625,672
(268,666)	(315,605)	(20,084)	(323,061)	(1,661,552)	(607,316)	(72,576)	(241,620)	1,367,670
265,781	280,377	19,342	412,880	1,917,955	714,950	78,369	305,054	(3,489,878)
<u>\$ (2,885)</u>	<u>\$ (35,228)</u>	<u>\$ (742)</u>	<u>\$ 89,819</u>	<u>\$ 256,403</u>	<u>\$ 107,634</u>	<u>\$ 5,793</u>	<u>\$ 63,434</u>	<u>\$ (2,122,208)</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, 2023, 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, 2024. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of York, Nebraska, prepares its financial statements for the governmental funds on the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

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

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

**SHAREHOLDERS:**  
Robert D. Almquist  
Phillip D. Maltzahn  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
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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. We identified a certain deficiency in internal control described below that we consider to be a significant deficiency.

#### Segregation of Duties

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

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

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

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

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

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

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

*MAGL, R.C.*

Grand Island, Nebraska  
January 12, 2024