

City of La Vista, Nebraska

Independent Auditor's Report and Financial Statements

September 30, 2018



City of La Vista, Nebraska

September 30, 2018

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Independent Auditor's Report

The Honorable Mayor and City Council
City of La Vista, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of La Vista, Nebraska (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of La Vista, Nebraska as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

BKD, LLP

Omaha, Nebraska
March 18, 2019

City of La Vista, Nebraska
Statement of Net Position
September 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 12,264,035	\$ 2,589,587	\$ 14,853,622
Restricted cash and cash equivalents	12,713,934	-	12,713,934
Cash at County Treasurer	233,305	-	233,305
Certificates of deposit	2,535,114	254,344	2,789,458
Investments	3,416,702	-	3,416,702
Receivables	2,713,584	484,300	3,197,884
Prepaid expenses	56,437	-	56,437
Capital assets			
Nondepreciable	28,213,370	9,524	28,222,894
Depreciable, net	40,210,026	5,025,912	45,235,938
Total assets	<u>102,356,507</u>	<u>8,363,667</u>	<u>110,720,174</u>
Deferred Outflows of Resources			
Deferred charge on refunding	<u>527,210</u>	<u>-</u>	<u>527,210</u>
Liabilities			
Accounts payable	2,541,171	926,905	3,468,076
Accrued expenses	1,176,854	179,097	1,355,951
Sales tax refunds payable	402,889	-	402,889
Compensated absences			
Payable within one year	116,377	2,296	118,673
Payable in more than one year	1,532,991	49,686	1,582,677
Notes payable			
Due within one year	168,603	-	168,603
Due in more than one year	362,605	-	362,605
Bonds payable			
Due within one year	4,060,000	-	4,060,000
Due in more than one year	<u>43,235,118</u>	<u>-</u>	<u>43,235,118</u>
Total liabilities	<u>53,596,608</u>	<u>1,157,984</u>	<u>54,754,592</u>
Net Position			
Net investment in capital assets	32,292,598	5,035,436	37,328,034
Restricted for general government	131,146	-	131,146
Restricted for debt service	5,663,117	-	5,663,117
Restricted for community betterment	3,245,598	-	3,245,598
Unrestricted	<u>7,954,650</u>	<u>2,170,247</u>	<u>10,124,897</u>
Total net position	<u>\$ 49,287,109</u>	<u>\$ 7,205,683</u>	<u>\$ 56,492,792</u>

City of La Vista, Nebraska
Statement of Activities
Year Ended September 30, 2018

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 4,033,942	\$ 735,348	\$ 424,500	\$ -	\$ (2,874,094)	\$ -	\$ (2,874,094)
Public safety	7,132,385	-	117,419	-	(7,014,966)	-	(7,014,966)
Public works	3,839,031	-	1,739,360	-	(2,099,671)	-	(2,099,671)
Culture and recreation	2,975,688	326,054	-	-	(2,649,634)	-	(2,649,634)
Community betterment	499,720	1,133,699	-	-	633,979	-	633,979
Community development	1,235,141	-	-	-	(1,235,141)	-	(1,235,141)
Interest on long-term debt	2,011,109	-	-	-	(2,011,109)	-	(2,011,109)
Total governmental activities	21,727,016	2,195,101	2,281,279	-	(17,250,636)	-	(17,250,636)
Business-type activities							
Sewer	3,305,178	3,959,894	-	-	-	654,716	654,716
Total business-type activities	3,305,178	3,959,894	-	-	-	654,716	654,716
Total Primary Government	\$ 25,032,194	\$ 6,154,995	\$ 2,281,279	-	(17,250,636)	654,716	(16,595,920)
General Revenues							
Property taxes					8,378,504	-	8,378,504
Sales and use taxes					9,821,847	-	9,821,847
Sales tax refunds					(414,404)	-	(414,404)
Occupation taxes					1,831,621	-	1,831,621
Motor vehicle taxes					483,324	-	483,324
Interest income					1,002,789	9,328	1,012,117
Miscellaneous					727,168	-	727,168
Transfers					(23,528)	23,528	-
Capital contributions from governmental activities to business-type activities					(125,197)	125,197	-
Transfer of capital assets from business-type activities to governmental activities					33,447	(33,447)	-
Total general revenues and transfers					21,715,571	124,606	21,840,177
Change in Net Position					4,464,935	779,322	5,244,257
Net Position, Beginning of Year					44,822,174	6,426,361	51,248,535
Net Position, End of Year					\$ 49,287,109	\$ 7,205,683	\$ 56,492,792

City of La Vista, Nebraska
Balance Sheet –
Governmental Funds
September 30, 2018

	General Fund	Debt Service Fund	Keno Fund	Capital Improvements Fund	Economic Development Fund	84th Street Redevelopment Fund	Police Academy Fund	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 3,275,105	\$ 5,556,840	\$ 597,113	\$ 261,483	\$ 6,934	\$ 2,546,880	\$ 19,680	\$ 12,264,035
Restricted cash and cash equivalents	131,164	-	70,646	4,684,057	-	7,828,067	-	12,713,934
Cash at County Treasurer	183,501	49,804	-	-	-	-	-	233,305
Certificates of deposit	1,271,760	-	1,263,354	-	-	-	-	2,535,114
Investments	1,538,300	35,868	1,842,534	-	-	-	-	3,416,702
Due from other funds	7,899	2,377	-	-	-	-	-	10,276
Receivables	1,444,670	798,199	88,192	-	-	382,523	-	2,713,584
Prepaid expenses	56,437	-	-	-	-	-	-	56,437
Total assets	<u>\$ 7,908,836</u>	<u>\$ 6,443,088</u>	<u>\$ 3,861,839</u>	<u>\$ 4,945,540</u>	<u>\$ 6,934</u>	<u>\$ 10,757,470</u>	<u>\$ 19,680</u>	<u>\$ 33,943,387</u>
Liabilities								
Accounts payable	\$ 418,407	\$ -	\$ 524,929	\$ 1,336,907	\$ -	\$ 260,289	\$ 639	\$ 2,541,171
Accrued expenses	418,493	-	91,312	-	-	-	2,161	511,966
Due to other funds	2,377	-	-	7,899	-	-	-	10,276
Total liabilities	<u>839,277</u>	<u>-</u>	<u>616,241</u>	<u>1,344,806</u>	<u>-</u>	<u>260,289</u>	<u>2,800</u>	<u>3,063,413</u>
Deferred Inflows of Resources								
Unavailable revenues	54,597	411,330	-	-	-	-	-	465,927
Fund Balances								
Nonspendable	56,437	-	-	-	-	-	-	56,437
Restricted for:								
General government	131,146	-	-	-	-	-	-	131,146
Debt service	-	6,031,758	-	-	-	-	-	6,031,758
Community betterment	-	-	3,245,598	-	-	-	-	3,245,598
Economic development	-	-	-	3,600,734	6,934	-	-	3,607,668
84th street redevelopment	-	-	-	-	-	10,497,181	-	10,497,181
Public safety	-	-	-	-	-	-	16,880	16,880
Unassigned	6,827,379	-	-	-	-	-	-	6,827,379
Total fund balances	<u>7,014,962</u>	<u>6,031,758</u>	<u>3,245,598</u>	<u>3,600,734</u>	<u>6,934</u>	<u>10,497,181</u>	<u>16,880</u>	<u>30,414,047</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,908,836</u>	<u>\$ 6,443,088</u>	<u>\$ 3,861,839</u>	<u>\$ 4,945,540</u>	<u>\$ 6,934</u>	<u>\$ 10,757,470</u>	<u>\$ 19,680</u>	<u>\$ 33,943,387</u>

City of La Vista, Nebraska
Reconciliation of the Balance Sheet
of Governmental Funds to the
Statement of Net Position
September 30, 2018

Total Fund Balances - Total Governmental Funds	\$ 30,414,047
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation used in governmental activities, are not financial resources and, therefore, are not reported in the funds.	68,423,396
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Other related amounts include interest payable of \$267,919, bond premiums of \$313,851 and bond discounts of \$28,733. Amount also includes retainage payable of \$396,969.	(48,491,214)
Deferred outflows of resources related to refunded debt are not current financial resources, and therefore, are not reported in the funds.	527,210
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(1,649,368)
Sales tax refunds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(402,889)
Deferred inflows represents funds not available in the current period and, therefore, are not recognized as revenue in the governmental funds.	<u>465,927</u>
Net Position of Governmental Activities	<u><u>\$ 49,287,109</u></u>

City of La Vista, Nebraska
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
Year Ended September 30, 2018

	General Fund	Debt Service Fund	Keno Fund	Capital Improvements Fund	Economic Development Fund	84th Street Redevelopment Fund	Police Academy Fund	Total
Revenues								
Property taxes	\$ 6,147,519	\$ 2,185,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,333,225
Sales and use taxes	4,910,923	2,455,462	-	-	-	2,455,462	-	9,821,847
Occupation taxes	1,831,621	-	-	-	-	-	-	1,831,621
Motor vehicle taxes	478,105	5,219	-	-	-	-	-	483,324
Licenses and permits	734,973	-	-	-	-	-	-	734,973
Intergovernmental	2,200,417	-	-	-	-	-	80,862	2,281,279
Charges for services	429,630	-	-	-	-	-	-	429,630
Keno	-	-	1,133,699	-	-	-	-	1,133,699
Interest income	57,067	59,818	29,428	112	753,012	50,525	187	950,149
Special assessments	-	45,440	-	-	-	-	-	45,440
Miscellaneous	64,592	521,844	9,187	-	-	-	-	595,623
Total revenues	16,854,847	5,273,489	1,172,314	112	753,012	2,505,987	81,049	26,640,810
Expenditures								
Current								
General government	3,163,695	372,273	30,089	98,568	-	-	-	3,664,625
Public works	2,031,477	-	-	-	-	-	-	2,031,477
Public safety	6,453,568	-	-	-	-	-	84,169	6,537,737
Culture and recreation	2,690,026	-	-	-	-	-	-	2,690,026
Community betterment	-	-	499,720	-	-	-	-	499,720
Community development	583,048	-	-	-	736	651,357	-	1,235,141
State sales tax refunds	1,032,429	516,215	-	-	-	516,215	-	2,064,859
Capital outlay	986,831	-	-	8,865,562	-	222,470	-	10,074,863
Debt service								
Principal retirement	102,409	6,380,000	-	-	16,420,000	11,495,000	-	34,397,409
Interest	6,797	631,387	-	-	1,431,476	393,207	-	2,462,867
Total expenditures	17,050,280	7,899,875	529,809	8,964,130	17,852,212	13,278,249	84,169	65,658,724
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	(195,433)	(2,626,386)	642,505	(8,964,018)	(17,099,200)	(10,772,262)	(3,120)	(39,017,914)
Other Financing Sources (Uses)								
Refunding bonds issued	-	3,150,000	-	-	-	-	-	3,150,000
Bond or note issuance	550,811	-	-	4,955,000	-	18,840,000	-	24,345,811
Bond premium	-	33,748	-	60,962	-	56,166	-	150,876
Insurance proceeds	131,146	-	-	-	-	-	-	131,146
Transfers, net	(1,527,823)	(743,569)	(131,707)	8,430,768	986,017	(7,040,669)	20,000	(6,983)
Total other financing sources (uses)	(845,866)	2,440,179	(131,707)	13,446,730	986,017	11,855,497	20,000	27,770,850
Net Change in Fund Balances	(1,041,299)	(186,207)	510,798	4,482,712	(16,113,183)	1,083,235	16,880	(11,247,064)
Fund Balances, Beginning of Year	8,056,261	6,217,965	2,734,800	(881,978)	16,120,117	9,413,946	-	41,661,111
Fund Balances, End of Year	\$ 7,014,962	\$ 6,031,758	\$ 3,245,598	\$ 3,600,734	\$ 6,934	\$ 10,497,181	\$ 16,880	\$ 30,414,047

City of La Vista, Nebraska
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
September 30, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (11,247,064)
 Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	7,228,783
The issuance of long-term debt provides current financial resources to governmental funds; however, the transaction increases long-term liabilities in the statement of net position. Governmental funds report the effect of the premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(27,611,157)
Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	34,397,409
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.	535,901
Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(183,497)
Sales tax refunds do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds until the refunds are paid. This is the amount by which refunds accrued in the statement of activities exceed payments made in the governmental funds.	1,650,455
Deferred inflows represent funds not available in the current period and, therefore, are not recognized as revenue in the governmental funds.	(113,457)
Transfers of capital assets between governmental activities and business-type activities are reflected in the statement of activities, but are not recognized in the governmental funds.	(91,750)
Operating transfers recognized in the business-type activities funds related to compensated absences are not reported in the governmental funds.	(16,545)
Amortization on deferred amounts on refunding that do not represent activity in the governmental funds.	(84,143)
Change in Net Position of Governmental Activities	\$ 4,464,935

City of La Vista, Nebraska

Balance Sheet – Proprietary Funds September 30, 2018

	Golf Fund	Sewer Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ -	\$ 2,589,587	\$ 2,589,587
Certificates of deposit	-	254,344	254,344
Accounts receivable	-	484,300	484,300
Total current assets	<u>-</u>	<u>3,328,231</u>	<u>3,328,231</u>
Non-Current Assets			
Land	-	9,524	9,524
Equipment and furniture	-	1,328,513	1,328,513
Utility systems	-	7,872,662	7,872,662
Vehicles	-	419,425	419,425
Buildings and improvements	-	9,365	9,365
Accumulated depreciation	-	(4,604,053)	(4,604,053)
Capital assets - net of depreciation	<u>-</u>	<u>5,035,436</u>	<u>5,035,436</u>
Total assets	<u>\$ -</u>	<u>\$ 8,363,667</u>	<u>\$ 8,363,667</u>
Liabilities and Net Position			
Current Liabilities			
Accounts payable	\$ -	\$ 926,905	\$ 926,905
Accrued expenses	-	179,097	179,097
Compensated absences - current portion	-	2,296	2,296
Total current liabilities	<u>-</u>	<u>1,108,298</u>	<u>1,108,298</u>
Non-Current Liabilities			
Compensated absences	<u>-</u>	<u>49,686</u>	<u>49,686</u>
Total non-current liabilities	<u>-</u>	<u>49,686</u>	<u>49,686</u>
Net Position			
Net investment in capital assets	-	5,035,436	5,035,436
Unrestricted	<u>-</u>	<u>2,170,247</u>	<u>2,170,247</u>
Total net position	<u>-</u>	<u>7,205,683</u>	<u>7,205,683</u>
Total liabilities and net position	<u>\$ -</u>	<u>\$ 8,363,667</u>	<u>\$ 8,363,667</u>

City of La Vista, Nebraska
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Funds
Year Ended September 30, 2018

	Golf Fund	Sewer Fund	Total
Operating Revenues			
User fees	\$ -	\$ 3,872,759	\$ 3,872,759
Permits and hookups	-	87,135	87,135
Total operating revenues	-	3,959,894	3,959,894
Operating Expenses			
General and administrative	-	178,820	178,820
Maintenance	-	2,892,891	2,892,891
Depreciation and amortization	-	233,467	233,467
Total operating expenses	-	3,305,178	3,305,178
Operating Income	-	654,716	654,716
Nonoperating Revenues (Expenses)			
Reassignment of capital assets	(33,447)	-	(33,447)
Interest income	-	9,328	9,328
Total nonoperating revenues (expenses)	(33,447)	9,328	(24,119)
Income (Loss) Before Transfers and Capital Contributions	(33,447)	664,044	630,597
Operating Transfer	18,855	4,673	23,528
Capital Contribution	-	125,197	125,197
Total transfers and capital contributions	18,855	129,870	148,725
Change in Net Position	(14,592)	793,914	779,322
Net Position, Beginning of Year	14,592	6,411,769	6,426,361
Net Position, End of Year	\$ -	\$ 7,205,683	\$ 7,205,683

City of La Vista, Nebraska
Statement of Cash Flows –
Proprietary Funds
Year Ended September 30, 2018

	Golf Fund	Sewer Fund	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ -	\$ 3,920,753	\$ 3,920,753
Payments to suppliers	-	(2,531,923)	(2,531,923)
Payments to employees	-	(496,043)	(496,043)
	<u>-</u>	<u>892,787</u>	<u>892,787</u>
Net cash provided by operating activities			
Cash Flows from Noncapital Financing Activities			
Transfers	18,855	4,673	23,528
Net repayments between funds	(18,855)	-	(18,855)
	<u>-</u>	<u>4,673</u>	<u>4,673</u>
Net cash provided by noncapital financing activities			
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	-	(18,812)	(18,812)
	<u>-</u>	<u>(18,812)</u>	<u>(18,812)</u>
Net cash used in capital and related financing activities			
Cash Flows from Investing Activities			
Interest income	-	7,041	7,041
	<u>-</u>	<u>7,041</u>	<u>7,041</u>
Net cash provided by investing activities			
Net Increase in Cash and Cash Equivalents	<u>-</u>	<u>885,689</u>	<u>885,689</u>
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>1,703,898</u>	<u>1,703,898</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 2,589,587</u>	<u>\$ 2,589,587</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ -	\$ 654,716	\$ 654,716
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	233,467	233,467
Changes in operating assets and liabilities:			
Receivables	-	(39,141)	(39,141)
Payables and accrued expenses	-	39,106	39,106
Prepaid expenses	-	4,639	4,639
	<u>-</u>	<u>4,639</u>	<u>4,639</u>
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 892,787</u>	<u>\$ 892,787</u>
Supplemental Cash Flows Information			
Transfer of capital assets between activities	\$ (33,447)	\$ 125,197	\$ 91,750

City of La Vista, Nebraska

Notes to Financial Statements

September 30, 2018

Note 1: Summary of Significant Accounting Policies

Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the City of La Vista, Nebraska (the “City”) are discussed in the subsequent section of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City’s financial activities for the fiscal year ended September 30, 2018.

The City of La Vista, Nebraska operates under a Council-Mayor form of government and provides the following services: public safety (Police and Fire), public works (highway and streets), sanitary sewer, culture and recreation, community development (public improvements), planning and zoning, and general administrative services.

Financial Reporting Entity

These financial statements present the financial statements of the City as the primary government. In determining its reporting entity, the City has considered all potential component units for which it is financially accountable, including other organizations which are fiscally dependent on the City, or the significance of their relationship with the City is such that exclusion would make the financial statements misleading or incomplete. The Governmental Accounting Standards Board (“GASB”) has set forth criteria to be considered in determining financial accountability, which was used in making this evaluation.

The City has determined the La Vista Municipal Facilities Corporation is a blended component unit as the governing body consists of members appointed by the City government and the City is obligated to help support the component unit. A blended component unit, although a legally separate entity, is a direct part of the government’s operations.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification or elimination of internal activity (between or within funds). Accordingly, all of the City’s assets, deferred outflows of resources, liabilities and deferred inflow of resources, including capital assets and long-term liabilities, are included in the statement of net position. However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period and that it is legally available for such purposes. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures and other certain long-term obligations, which are reported as expenditures in the year due.

Major revenues that are determined to be susceptible to accrual include real estate taxes, sales taxes, earned interest, and charges for services. Major revenues not susceptible to accrual because they are either not available early enough to pay liabilities from the current period or are not measurable until received include franchise taxes, special assessments, licenses, permits, and fines. Revenues not considered available are recorded as deferred inflows of resources.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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 needed.

Basis of Presentation

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Basis of Presentation - Continued

The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Separate financial statements are provided for governmental funds and proprietary funds. Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Major individual funds are reported in separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City, meets specific criteria set forth by GASB or is identified as a major fund by the City's management.

Fund Types and Major Funds

Governmental funds are those through which most general governmental functions of the City are financed. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The City reports the following major governmental funds:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income.

Debt Service Fund is used to account for financial resources that are restricted for, and the payment of, general long-term debt principal, interest, and related costs.

Keno Fund is used to account for the revenues and expenses related to the Keno operations of the City. These funds are used for community betterment.

Capital Improvements Fund is used to account for financial resources that are committed to expenditures for capital outlay.

Economic Development Fund is used to account for revenues and expenditures to support the City's commercial developments, rehabilitate residential neighborhoods and expand industrial development in order to ensure economic stability and vitality of the City.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Fund Types and Major Funds - Continued

84th Street Redevelopment Fund is used to account for revenues and expenditures to support the redevelopment of the 84th Street corridor between Harrison Street and Giles Street to improve the economic viability of a town center and central park. A voter approved sales tax levy provides the revenue for this fund.

Police Academy Fund is used to account for revenues and expenditures to support the operations of a law enforcement training academy as defined in an interlocal agreement between Sarpy County, Douglas County, City of Papillion and City of Bellevue.

Proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the balance sheet. Proprietary fund operating statements present increases and decreases in total net position.

The City reports the following major proprietary funds:

Sewer Fund accounts for the activities of the government's sewer utility.

Golf Fund accounts for the activities of the government's golf course. In 2016, the golf course ceased operations and all subsequent activity relates to closure related items.

Cash and Investments

The City maintains a cash deposit pool that is available for use by all funds. The pool consists of bank deposits and investments. The equity of proprietary funds in this pool is considered to be cash and cash equivalents for purposes of the statement of cash flows. In addition, cash and investments are separately held by several of the City's funds.

Nonnegotiable certificates of deposit are carried at amortized cost, which approximates fair value. The City invests in an external investment pool which primarily invests in government agency securities, certificates of deposit, demand deposits and repurchase agreements which are valued at amortized cost, which approximates fair value based on the short-term nature of the investments. The City carries its interest in the external investment pool at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income includes dividend and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is assigned to the funds with which the related investment asset is associated.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Special Assessments

Special assessments are recorded as revenue in the year the assessments become current. Annual installments not yet due are reflected as special assessments receivables and deferred inflows of resources.

Unbilled Sewer Revenue

Billings for sewer revenues are rendered on a monthly basis. Unbilled sewer revenues, representing estimated consumer usage for the period between the last billing date and the end of the year, have been recorded and are included in accounts receivable.

Capital Assets and Depreciation

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements; proprietary capital assets are also reported in their respective fund. The City maintains infrastructure asset records consistent with all other capital assets. The City generally capitalizes assets with a cost of \$2,500 or more as purchase and construction outlays occur. Such assets are recorded at historical cost or estimated historical cost. Donated assets are stated at acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	10 – 45 years
Improvements	5 – 30 years
Infrastructure	20 – 60 years
Equipment, furniture, and fixtures	5 – 20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Deferred Outflows/Inflows of Resources - Continued

The City has one item that qualifies for reporting in this category, the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category and is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, and grants that are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond discounts or premiums are amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Compensated Absences

Vacation leave and other compensated absences with similar characteristics are accrued as the benefits are earned if the leave is attributable to past services and it is probable that the City will compensate the employees for such benefits. Sick leave and other compensated absences with similar characteristics are accrued as the benefits are earned only to the extent that it is probable that the City will compensate the employees for such benefits. Such accruals are based on current salary rates plus an additional amount for compensation-related payments such as Social Security and Medicare taxes and pension amounts using rates in effect at that date. Vacation and sick leave is accrued in accordance with the City's policy, when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, only compensated absences expected to be liquidated with expendable available financial resources are recorded as a fund liability.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Sales Tax Refunds Payable

Qualified companies in the State of Nebraska are allowed certain benefits under various legislative acts and incentive programs, including refunds of sales and use taxes paid. These refunds can include the local option tax as well as state taxes. Under state statute, the State Tax Commissioner must notify an affected city, village, county, or municipal county of any refund claims of more than twenty-five thousand dollars by June 15 of a given year. The notification must be made by July 1 of the same year and the refund will be made on or after November 15. The City accrues these tax refunds due upon receipt of notification from the State Tax Commissioner.

Net Position

Net position is required to be classified into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvements of those assets are also included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to unspent proceeds is not included in the calculation of net investment in capital assets.

Restricted – This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classification

The fund balances for the City’s governmental funds are displayed in five components:

Nonspendable – Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted – Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 1: Summary of Significant Accounting Policies - Continued

Fund Balance Classification - Continued

Committed – Committed fund balances may be used only for the specific purposes determined by resolution of the City Council. Commitments may be changed or lifted only by issuance of a resolution by the City Council. At September 30, 2018, the City did not have any committed funds.

Assigned – Assigned fund balances are intended to be used by the City for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. At September 30, 2018, the City did not have any assigned funds.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Fund balances are classified as restricted, committed, assigned, or unassigned. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and, lastly, unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, 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.

Note 2: Budget and Budgetary Accounting

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

- The City's department heads and mid-level managers prepare and submit budget requests for the following fiscal year to the City Administrator who then reviews the request with the department and division heads.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 2: Budget and Budgetary Accounting - Continued

- After this review process has been completed, the City Administrator presents these budget requests to the Mayor and City Council along with recommendations as to what changes, if any, should be made. These budget requests and recommendations are reviewed by the City Council at meetings open to the public.
- A public hearing on the budget is then conducted at a City Council meeting to obtain comments from citizens.
- Prior to September 20, the City Council legally enacts the ensuing fiscal year's budget through the passage of a resolution adopting the budget.
- Formal budgetary integration is employed as a management control device during the year for the General, Debt Service and Proprietary Funds.
- The budgets adopted are stated on a cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Note 3: Deposits and Investments

Deposits

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; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Nebraska; bonds of any city, county, school district or special road district of the State of Nebraska; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits. The statutes allow pledged securities to be reduced by the amount of the deposit insured by the Federal Deposit Insurance Corporation (FDIC).

At September 30, 2018, all of the City's deposits in excess of FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent of the City.

Investments

Generally, the City's investing activities are managed under the custody of the City Finance Director. The City does not have a specific investment policy, but follows state statutes. The City may legally invest in state-sponsored pooled investment funds and in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 3: Deposits and Investments - Continued

Investments - Continued

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates (market rates) will affect the fair value of an investment.

Custodial Credit Risk – 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 possession of an outside party.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations.

The City’s only investments are units of participation in the short-term investment pool of the Nebraska Public Agency Investment Trust (“NPAIT”). NPAIT is a special purpose government established under Nebraska statute. The investment pool or trust is not registered and is not rated for credit risk. The City limits its interest rate risk by investing only in the short-term pool, which consists primarily of government agency or government securitized investments with maturities of less than one year. The amount invested in the NPAIT pool was \$3,416,702 at September 30, 2018.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in any one issuer.

Summary of Carrying Values

The carrying values of deposits and investments are included in the government-wide statement of net position as follows:

Carrying Values	
Cash at County Treasurer	\$ 233,305
Deposits	30,357,014
Investments	<u>3,416,702</u>
	<u>\$ 34,007,021</u>

Included in the following statement of net position captions as follows:

Cash and cash equivalents	\$ 14,853,622
Restricted cash and cash equivalents	12,713,934
Cash at Country Treasurer	233,305
Certificates of deposit	2,789,458
Investments	<u>3,416,702</u>
	<u>\$ 34,007,021</u>

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 4: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Investments

The City's investments in external pooled investments are carried at cost and thus are not included within the fair value hierarchy.

Note 5: Property Taxes

The tax levy for the City is certified by the Sarpy County Board each year. Real estate taxes are due and attached as an enforceable lien on December 31 following the levy date. The first half of real estate taxes becomes delinquent on April 1 and the second half becomes delinquent August 1 following the levy date. Delinquent taxes bear interest at a 14% annual rate. Property taxes are collected by the County Treasurer and are periodically remitted to the City.

The tax rate to finance governmental services other than the payment of principal and interest on long-term debt for the year ended September 30, 2018, was \$0.4100 per \$100 of assessed valuation and the debt service requirement was \$0.1400 per \$100 of assessed valuation. The assessed valuation for the 2017-2018 tax year was \$1,496,821,908.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 6: Receivables

Receivables at September 30, 2018, consist of the following:

Fund	Taxes	Accounts Receivable	Special Assessments	Interest	Gross Receivables	Allowance for Uncollectibles	Net Receivables
General	\$ 822,919	\$ 621,751	\$ -	\$ -	\$ 1,444,670	\$ -	\$ 1,444,670
Debt Service	402,285	-	434,002	259,703	1,095,990	297,791	798,199
Keno	-	88,192	-	-	88,192	-	88,192
84th Street Redevelopment	382,523	-	-	-	382,523	-	382,523
Sewer	-	484,300	-	-	484,300	-	484,300
	<u>\$ 1,607,727</u>	<u>\$ 1,194,243</u>	<u>\$ 434,002</u>	<u>\$ 259,703</u>	<u>\$ 3,495,675</u>	<u>\$ 297,791</u>	<u>\$ 3,197,884</u>

Note Receivable

The City had a note receivable (“Loan”) from an entity associated with the interests of developer John Q. Hammons (JQH) and related companies and entities (“developer”), an owner and developer of hotels and motels, for an economic development project involving construction of two hotels and a conference center in the City. The Hammons Interests are all privately held and have undertaken to provide only limited publicly available financial information. The City obtained a deed of trust on the conference center in connection with the Loan.

As of September 30, 2017, the balance of the loan with the developer was \$15,810,692 with an interest rate equal to the average coupon rate of the bonds issued to fund the loan. The balance of the note was due in a single balloon payment on September 30, 2017. On June 20, 2018, the purchaser of the JQH properties remitted the balance due on the principal and interest accrued to the payment date.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 7: Capital Assets and Depreciation

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Land, not being depreciated	\$ 11,344,222	\$ -	\$ -	\$ 4,265,102	\$ 15,609,324
Construction in progress	9,746,601	9,430,602	-	(6,573,157)	12,604,046
Total capital assets, not being depreciated	<u>21,090,823</u>	<u>9,430,602</u>	<u>-</u>	<u>(2,308,055)</u>	<u>28,213,370</u>
Capital assets, being depreciated					
Buildings	19,181,462	7,955	-	-	19,189,417
Improvements/infrastructure	58,427,040	32,164	-	1,792,600	60,251,804
Equipment/furniture/vehicles	10,151,238	903,272	-	714,290	11,768,800
Total capital assets, being depreciated	<u>87,759,740</u>	<u>943,391</u>	<u>-</u>	<u>2,506,890</u>	<u>91,210,021</u>
Accumulated Depreciation					
Buildings	(11,926,265)	(704,012)	-	-	(12,630,277)
Improvements/infrastructure	(28,173,603)	(1,666,106)	-	-	(29,839,709)
Equipment/furniture/vehicles	(7,763,462)	(475,962)	-	(290,585)	(8,530,009)
Total accumulated depreciation	<u>(47,863,330)</u>	<u>(2,846,080)</u>	<u>-</u>	<u>(290,585)</u>	<u>(50,999,995)</u>
Capital assets being depreciated, net	<u>39,896,410</u>	<u>(1,902,689)</u>	<u>-</u>	<u>2,216,305</u>	<u>40,210,026</u>
Governmental activities capital assets, net	<u>\$ 60,987,233</u>	<u>\$ 7,527,913</u>	<u>\$ -</u>	<u>\$ (91,750)</u>	<u>\$ 68,423,396</u>

Depreciation was charged to functions/programs as follows:

Governmental Activities	
General government	\$ 188,031
Public safety	591,137
Culture and recreation	279,189
Public works	<u>1,787,723</u>
Total governmental activities depreciation expense	<u>\$ 2,846,080</u>

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 7: Capital Assets and Depreciation - Continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Land, not being depreciated	\$ 9,524	\$ -	\$ -	\$ -	\$ 9,524
Capital assets, being depreciated					
Building and improvements	9,365	-	-	-	9,365
Sewer line system	7,747,465	-	-	125,197	7,872,662
Equipment and furniture	2,053,158	18,812	-	(324,032)	1,747,938
Total capital assets, being depreciated	9,809,988	18,812	-	(198,835)	9,629,965
Accumulated depreciation					
Building and improvements	(9,365)	-	-	-	(9,365)
Sewer line system	(3,317,014)	(156,865)	-	-	(3,473,879)
Equipment and furniture	(1,334,792)	(76,602)	-	290,585	(1,120,809)
Total accumulated depreciation	(4,661,171)	(233,467)	-	290,585	(4,604,053)
Capital assets being depreciated, net	5,148,817	(214,655)	-	91,750	5,025,912
Business-type activities capital assets, net	\$ 5,158,341	\$ (214,655)	\$ -	\$ 91,750	\$ 5,035,436

Depreciation was charged to functions/programs as follows:

Business-type Activities

Sewer \$ 233,467

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 8: Long-term Liabilities

General obligation bonds, issued by the City for various municipal improvements, are repaid with property taxes recorded in the Debt Service Fund. The City has pledged its full faith and credit as collateral for the general obligation bonds. The City's borrowing capacity is restrained by maintaining the City's debt at a responsible level.

The following is a summary of long-term debt activity of the City for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Long-term debt					
General obligation bonds	\$ 43,145,000	\$ 4,955,000	\$ 22,800,000	\$ 25,300,000	\$ 3,225,000
Tax supported improvement bonds	-	18,840,000	280,000	18,560,000	495,000
Bond anticipation notes	11,215,000	-	11,215,000	-	-
Certificates of participation	-	3,150,000	-	3,150,000	340,000
Installment notes payable	82,806	550,811	102,409	531,208	168,603
Premium/discount on bonds issued	167,525	150,876	33,283	285,118	-
Other long-term liabilities					
Compensated absences	<u>1,465,871</u>	<u>945,093</u>	<u>761,596</u>	<u>1,649,368</u>	<u>116,377</u>
Governmental activities long-term liabilities	<u>\$ 56,076,202</u>	<u>\$ 28,591,780</u>	<u>\$ 35,192,288</u>	<u>\$ 49,475,694</u>	<u>\$ 4,344,980</u>
Business-type Activities					
Other long-term liabilities					
Compensated absences	<u>\$ 112,384</u>	<u>\$ 5,160</u>	<u>\$ 65,562</u>	<u>\$ 51,982</u>	<u>\$ 2,296</u>

The compensated absences reported as governmental activities will be paid from the General Fund. The compensated absences of the business-type activities will be paid from the Sewer Fund.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 8: Long-term Liabilities - Continued

Long-term bonded debt and notes payable are comprised of the following:

	Interest Rate	Maturity Date	Date Callable	Ending Balance
Governmental Activities				
General obligation bonds				
June 28, 2012, GO refunding bonds	0.300-3.250%	12/15/2032	06/28/2017	\$ 5,410,000
December 31, 2014, GO refunding bonds	1.750-2.450%	08/15/2023	12/31/2019	3,340,000
December 31, 2014, highway allocation refunding bonds	1.850-3.250%	11/15/2028	12/31/2019*	640,000
December 31, 2014, public safety tax anticipation refunding bonds	1.850-2.350%	11/15/2022	12/31/2019	535,000
December 31, 2014, facilities corp refunding bonds	1.750-3.650%	03/15/2035	12/31/2019	1,860,000
December 1, 2015, GO refunding bonds	0.500-2.350%	12/15/2026	12/01/2020	6,625,000
May 25, 2016, highway allocation refunding bonds	1.000-3.125%	05/01/2041	05/01/2041**	1,935,000
August 16, 2018, GO offstreet parking bonds	1.700-4.000%	09/01/2038	09/01/2043	4,955,000
Total general obligation bonds				<u>\$ 25,300,000</u>
Revenue bonds				
November 17, 2017, tax supported improvement bonds	1.250%-5.000%	07/15/2042	07/15/2022	\$ 18,560,000
Certificates of participation				
August 21, 2018, refunding certificates of participation	1.500-3.000%	12/15/2026	12/15/2023	\$ 3,150,000
Installment notes payable***				
January 5, 2015, dump truck note payable	2.89%	01/05/2020		\$ 47,927
May 1, 2018, street sweeper note payable	3.00%	05/01/2022		205,737
May 1, 2018, dump truck note payable	3.00%	05/01/2022		182,961
July 18, 2018, bucket truck note payable	3.00%	08/01/2022		94,583
Total installment notes payable				<u>\$ 531,208</u>

* Bonds are subject to mandatory redemption in various amounts prior to maturity beginning November 15, 2015.

** Bonds are subject to mandatory redemption in various amounts prior to maturity beginning May 1, 2017.

*** Installment notes payable are collateralized by the equipment acquired.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 8: Long-term Liabilities - Continued

Maturities of the long-term debt, subject to mandatory redemption are as follows:

Governmental Activities

Year Ending September 30,	General Obligation Bonds		Tax Supported Improvement Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 3,225,000	\$ 583,760	\$ 495,000	\$ 637,617
2020	2,965,000	527,344	505,000	630,687
2021	2,855,000	474,511	515,000	616,900
2022	2,905,000	415,322	545,000	591,150
2023	2,215,000	359,408	570,000	563,900
2024-2028	5,880,000	1,228,974	3,300,000	2,376,500
2029-2033	2,785,000	671,093	3,900,000	1,766,050
2034-2038	2,140,000	284,911	4,535,000	1,130,987
2039-2043	330,000	20,937	4,195,000	346,287
	<u>\$ 25,300,000</u>	<u>\$ 4,566,260</u>	<u>\$ 18,560,000</u>	<u>\$ 8,660,078</u>

Year Ending September 30,	Certificate of Participation		Installment Notes	
	Principal	Interest	Principal	Interest
2019	\$ 340,000	\$ 116,306	\$ 168,603	\$ 14,661
2020	325,000	105,117	148,794	9,768
2021	330,000	92,105	141,014	5,455
2022	335,000	77,400	72,797	1,261
2023	345,000	66,480	-	-
2024-2028	1,475,000	90,075	-	-
	<u>\$ 3,150,000</u>	<u>\$ 547,483</u>	<u>\$ 531,208</u>	<u>\$ 31,145</u>

In September 2018, the City issued \$3,150,000 of Certificates of Participation, Series 2018, to refund the outstanding principal of \$3,095,000 of the Refunding Bonds, Series 2011. The City completed the refunding to reduce its total debt service payments by approximately \$125,000, which resulted in an economic gain of approximately \$113,000.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 9: Interfund Balances and Activity

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds.

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move revenues from restricted funds to funds where the expenditures were incurred related to the restrictions and to (c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfer To/From Other Funds at September 30, 2018, consists of the following cash transfers:

Transfer To	Transfer From					Total
	General Fund	Debt Service Fund	Keno Fund	84th Street Redevelopment Fund	Governmental Activities	
General Fund	\$ -	\$ -	\$ 54,888	\$ -	\$ -	\$ 54,888
Debt Service	575,112	-	-	-	-	575,112
Sewer	-	-	4,673	-	-	4,673
Capital Improvements	-	1,318,681	71,418	7,040,669	-	8,430,768
Golf	1,582	-	728	-	16,545	18,855
Economic Development	986,017	-	-	-	-	986,017
Police Academy	20,000	-	-	-	-	20,000
	<u>\$ 1,582,711</u>	<u>\$ 1,318,681</u>	<u>\$ 131,707</u>	<u>\$ 7,040,669</u>	<u>\$ 16,545</u>	<u>\$ 10,090,313</u>

During the year ended September 30, 2018, capital assets with a net book value of \$33,447 were reassigned from the Golf Fund to governmental activities. In addition, capital assets with a net book value of \$125,197 were transferred from governmental activities to the Sewer Fund.

As of September 30, 2018, the balance due to/from other funds primarily resulted from the respective funds overdrawing its share of pooled cash.

Note 10: Reconciliation of Budget Basis to GAAP

Amounts presented on a non-GAAP budget basis of accounting differ from those presented in accordance with GAAP due to the treatment afforded accruals, encumbrances, and funds for which legally adopted annual budgets are not established. A reconciliation for the year ended September 30, 2018, which discloses the nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis, is presented below:

	General Fund	Keno Fund	Economic Development Fund	84th Street Redevelopment Fund	Police Academy Fund
Net change in fund balance					
Balance on a GAAP basis	\$(1,041,299)	\$ 510,798	\$ (16,113,183)	\$ 1,083,235	\$ 16,880
Basic differences (accruals) occur because the cash basis of accounting used for budgeting differs from the modified accrual basis of accounting prescribed for governmental funds	1,838,490	300,948	15,810,692	153,850	2,803
Balance on a budget basis	<u>\$ 797,191</u>	<u>\$ 811,746</u>	<u>\$ (302,491)</u>	<u>\$ 1,237,085</u>	<u>\$ 19,683</u>

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 11: Retirement Plans

The employees of the City are covered by several defined contribution retirement plans as detailed below. All plans are administered by outside trustees and, therefore, are not included in the City's basic financial statements. Any plan provisions or amendments are reviewed and approved by the Mayor and City Council.

City Administrator's Retirement Plan

The City has a defined contribution pension plan covering the City Administrator. The plan requires that the employee and the City contribute an amount equal to 6.27% and 10.80%, respectively, of the employee's base salary per pay period. The City's pension expense and plan member's contributions to the plan for the year ended September 30, 2018, were \$15,863 and \$9,358, respectively.

Civilian Employee Retirement Plan

The City has a defined contribution pension plan covering all civilian employees who are eligible. The plan requires that both the employee and the City contribute an amount equal to 6% of the employee's base salary per pay period. The plan allows for forfeitures to be used to pay administration costs of the plan and then used to reduce the City's contributions. Employees are fully vested in their contributions and begin vesting in employer contributions after four years and are fully vested after seven years. The City's pension expense and plan members' contributions to the plan for the year ended September 30, 2018, were \$238,370 each.

Police Retirement Plan

The City has a defined contribution pension plan for its full time employees in the Police Department. The plan was converted effective January 1, 1984, from a defined benefit plan to a defined contribution plan. The plan requires that both the employee and the City contribute an amount equal to 7% of the employee's base salary per pay period. The plan allows for forfeitures to be used to pay administration costs of the plan and then used to reduce the City's contributions. Employees are fully vested in their contributions and begin vesting in employer contributions after four years and are fully vested after seven years. The City's pension expense and plan members' contributions to the plan for the year ended September 30, 2018, were \$227,163 each.

Fire Retirement Plan

The City has a defined contribution pension plan for its full time employees in the Fire Department. The plan was effective June 2007. The plan requires that the employee contribute an amount equal to 6.5% and the City contribute an amount equal to 13% of the employee's base salary per pay period. The plan allows for forfeitures to be allocated to the Unallocated Employer Account and if the Unallocated Employer Account is sufficient to meet plan liabilities, then forfeitures shall first be used to pay expenses of administration and then reduce City contributions.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 11: Retirement Plans - Continued

Fire Retirement Plan - Continued

Employees are fully vested in their own contributions and begin vesting in employer contributions after four years and are fully vested after seven years. There are no active participants in the plan as of September 30, 2018 and therefore the City's pension expense and plan members' contributions to the plan for the year ended were \$0.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular permanent full and part-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefits of the participants and their beneficiaries. The plan assets are held in trust by a third party for the employees and are not reflected in these financial statements.

Note 12: Risk Management

The City is exposed to various risks of loss related to torts, theft, damage to, or destruction of assets, errors or omissions, injuries to employees, or natural disasters. These risks are transferred to independent insurance carriers and no self-insurance program is maintained by the City. City management believes adequate coverage exists for potential exposures as of September 30, 2018. The City did not pay any settlement amounts which exceeded its insurance coverage for any of the three preceding years.

Note 13: Commitments and Contingencies

Commitments

During the year, the City has accepted various bids for street improvements and other projects in the normal course of business that have not been completed and/or fully paid for at year-end. Total commitments outstanding as of September 30, 2018 were approximately \$5,360,000.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 13: Commitments and Contingencies - Continued

Claims and Litigation

The City is involved in various litigation matters in the normal course of business. The outcome of such litigation is not expected to have a material effect on the City's financial position or results of operations.

Government Grants

The City participates in a number of federally assisted grant programs, which are subject to financial and compliance audits or reviews. The amount of expenditures, if any, which may be disallowed by the granting agencies, is not determinable at this time; however, City officials do not believe that such amounts, if any, will be significant.

Sales Tax Refunds

Qualified companies in the State of Nebraska are allowed certain benefits under various legislative acts and incentive programs, including refunds of sales and use taxes paid. These refunds can include the local option tax as well as state taxes. Under state statute, the State Tax Commissioner must notify an affected city, village, county, or municipal county of any refund claims of more than twenty-five thousand dollars by June 15 of a given year. The notification must be made by July 1 of the same year and the refund will be made on or after November 15. The amount of tax refunds due, if any, under these acts and programs is not determinable by the City until notification is made by the State.

As of September 30, 2018, the City had been notified of \$402,889 of sales tax refunds due, which are to be repaid starting in December 2018 through July 2019. This amount is recognized on the government-wide statement of net position.

Between October 2018 and January 2019, the City was notified by the State of approximately \$1,165,000 of additional sales tax refunds due beginning in December 2019.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 14: Interlocal Agreement

Fire Department

In October 2013, the City entered into an interlocal agreement with the City of Papillion (“Papillion”) and the Papillion Rural Fire District (“RFD”) to allow Papillion to expand its fire department operations to provide fire and emergency medical services (“EMS”) for all of the participants to the agreement and areas within each participants’ boundaries beginning April 1, 2014. In consideration for these services, the City and RFD each contribute proportionate funding and use of their respective fire and EMS equipment, fire apparatuses, EMS medic units and other fire or EMS vehicles and fire department real property. The agreement will terminate on September 30, 2033, with optional ten-year terms thereafter.

Under the terms of the agreement, the participants have created a mutual finance organization as authorized under the Nebraska Municipal Finance Assistance Act, known as the Papillion Fire Protection Mutual Finance Organization (“MFO”). The MFO is responsible for transacting business for financing the operation and equipment needs of the fire department or MFO; having charge and custody of and managing all funds of the MFO; and seeking funding from the Nebraska Mutual Finance Assistance Fund or other potential funding organizations. The participants in the MFO are required to levy a general fund property tax at an equal rate for the purpose of jointly funding the single fire department operations. The rate must have unanimous approval from all participants and exclude levies for bonded indebtedness and lease-purchase contracts in existence on July 1, 1998. The Papillion Finance Director serves as the fiscal agent of the MFO.

As of September 30, 2018, the MFO has not issued debt nor acquired title to any assets. Any debt or assets of the MFO would be split amongst the participants.

During the year ended September 30, 2018, the City paid \$2,109,324 to Papillion in consideration of services rendered. The City received \$537,995 from the MFO, as determined by the terms of the interlocal agreement.

Police Academy

On April 4, 2017, the City entered into the Law Enforcement Training Academy interlocal agreement with Sarpy County, Douglas County, the City of Papillion and the City of Bellevue. The City provides office space and administrative and accounting support for the Academy. Each entity contributes \$20,000 per year to the Policy Academy Fund and provides training locations for the classes.

City of La Vista, Nebraska
Notes to Financial Statements
September 30, 2018

Note 14: Interlocal Agreement - Continued

Police Academy - Continued

The Agreement is administered by an Advisory Board consisting of the chief law enforcement officer of each Participating Agency, or his or her designee. The Advisory Board members are responsible for the overall policies and administration of this Agreement. The governing board is known as the Sarpy-Douglas Law Enforcement Academy Advisory Board. The Board makes any and all decisions based on the concurrence of at least a majority of the Board members after providing an opportunity for all Board members to be involved in any and all such decisions. The Sarpy-Douglas Law Enforcement Academy Advisory Board shall meet at least four times each year, with such additional meetings held as often as its members deem advisable. The Advisory Board shall annually in the month of September, from among themselves, elect a chairperson on a rotating basis. The Board shall establish and implement rules and procedures not inconsistent with the terms of this Agreement for implementation hereof.

The Agreement shall be effective for a term of five (5) years beginning on October 1, 2017 and ending September 30, 2022. The Agreement may only be terminated upon the mutual agreement of all Participating Agencies. At the end of the initial five year term, the agreement shall automatically renew for two (2) additional one year terms unless any Party to the Agreement gives written notice by April 1 prior to the effective date of the termination to the other participating agencies as to its desire to withdraw or terminate or amend the Agreement.

During the year ended September 30, 2018, the City received \$80,862 from the participants, as determined by the terms of the interlocal agreement.

Note 15: Tax Abatements

The City provides tax abatements under the Tax Increment Financing Program (TIF), the Nebraska Advantage Act and the Employment and Investment Growth Act.

TIF provides property tax abatements to encourage improvements to blighted property. The program is established under the auspices of a state statute (Article 21, Section 18-2101 – 2144) empowering cities and counties to establish such programs. The abatements equal 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, as administered as a rebate of the incremental taxes generated from improvements to property, and last for 15 years (or fewer, if the loan is paid off). Eligibility for approval requires the property to have no loss of pre-existing tax revenues, and the developer demonstrates the project is not feasible without TIF. Abatements are obtained through application by the property owner and are reviewed and approved by the Council prior to commencing the improvements. This refund reduces the next property tax paid to the City. As of September 30, 2018, the City has entered into agreements with developers under TIF; however, no property taxes have been abated as the related projects are not yet complete.

City of La Vista, Nebraska

Notes to Financial Statements

September 30, 2018

Note 15: Tax Abatements - Continued

The Employment and Investment Growth Act under State Legislative Bill (LB) 775 and the Nebraska Advantage Act under LB 312 grants tax credits and sales tax refunds for companies that hire at least 30 new employees and invest at least \$3 million. These acts allow a refund of sales tax paid on equipment or other taxable property purchased in connection with the project. This refund to companies reduces the net monthly sales receipts remitted to the City. Taxes abated under this program for the fiscal year ended September 30, 2018 were \$414,446.

Required Supplementary Information

City of La Vista, Nebraska
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (Budget Basis) –
General Fund
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 13,084,873	\$ 13,558,051	\$ 12,224,901	\$ (1,333,150)
Licenses and permits	659,786	659,786	722,042	62,256
Intergovernmental revenues	2,246,028	2,175,423	2,093,041	(82,382)
Charges for services	309,224	354,901	387,366	32,465
Grant income	76,759	76,759	20,482	(56,277)
Interest income	21,664	20,568	57,067	36,499
Miscellaneous	68,629	68,629	79,769	11,140
Total revenues	<u>16,466,963</u>	<u>16,914,117</u>	<u>15,584,668</u>	<u>(1,329,449)</u>
Expenditures				
General government	3,182,471	3,773,104	2,933,682	839,422
Public works	2,315,449	2,331,546	1,956,120	375,426
Public safety	6,587,740	6,933,559	6,377,447	556,112
Culture and recreation	2,152,392	2,178,580	1,890,947	287,633
Public library	826,311	834,933	727,568	107,365
Community development	630,178	627,525	571,790	55,735
Capital outlay	954,742	954,742	529,210	425,532
Total expenditures	<u>16,649,283</u>	<u>17,633,989</u>	<u>14,986,764</u>	<u>2,647,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,320)	(719,872)	597,904	1,317,776
Other Financing Sources (Uses)				
Operating transfers	(1,096,375)	(1,116,375)	(1,526,241)	(409,866)
Insurance proceeds	-	-	131,146	131,146
Total other financing sources	<u>(1,096,375)</u>	<u>(1,116,375)</u>	<u>(1,395,095)</u>	<u>(278,720)</u>
Net Change in Fund Balances	<u>\$ (1,278,695)</u>	<u>\$ (1,836,247)</u>	<u>\$ (797,191)</u>	<u>\$ 1,039,056</u>

City of La Vista, Nebraska
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (Budget Basis) –
Keno Fund
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Keno	\$ 1,360,000	\$ 1,360,000	\$ 1,145,059	\$ (214,941)
Interest income	25,700	25,700	29,428	3,728
Miscellaneous	9,761	9,761	9,187	(574)
Total revenues	<u>1,395,461</u>	<u>1,395,461</u>	<u>1,183,674</u>	<u>(211,787)</u>
Expenditures				
General government	31,237	31,237	24,790	6,447
Community betterment	661,757	661,757	478,845	182,912
Total expenditures	<u>692,994</u>	<u>692,994</u>	<u>503,635</u>	<u>189,359</u>
Excess of Revenues Over Expenditures	702,467	702,467	680,039	(22,428)
Other Financing Sources (Uses)				
Operating transfers	372,269	372,269	131,707	(240,562)
Total other financing sources	<u>372,269</u>	<u>372,269</u>	<u>131,707</u>	<u>(240,562)</u>
Net Change in Fund Balances	<u><u>\$ 1,074,736</u></u>	<u><u>\$ 1,074,736</u></u>	<u><u>\$ 811,746</u></u>	<u><u>\$ (262,990)</u></u>

City of La Vista, Nebraska
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (Budget Basis) –
Economic Development Fund
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Interest income	\$ 30,060	\$ 30,060	\$ 6,934	\$ (23,126)
Interest income on note	-	-	16,556,770	16,556,770
Total revenues	<u>30,060</u>	<u>30,060</u>	<u>16,563,704</u>	<u>16,533,644</u>
Expenditures				
Debt service principal retirement	16,420,000	16,420,000	16,420,000	-
Debt service interest	-	-	1,431,476	(1,431,476)
Community development	5,000	5,000	736	4,264
Total expenditures	<u>16,425,000</u>	<u>16,425,000</u>	<u>17,852,212</u>	<u>(1,427,212)</u>
Deficiency of Revenues Under Expenditures	<u>(16,394,940)</u>	<u>(16,394,940)</u>	<u>(1,288,508)</u>	<u>15,106,432</u>
Other Financing Sources				
Operating transfers	600,000	600,000	986,017	386,017
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>986,017</u>	<u>386,017</u>
Net Change in Fund Balances	<u><u>\$ (15,794,940)</u></u>	<u><u>\$ (15,794,940)</u></u>	<u><u>\$ (302,491)</u></u>	<u><u>\$ 15,492,449</u></u>

City of La Vista, Nebraska
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (Budget Basis) –
84th Street Redevelopment Fund
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Sales tax	\$ 2,514,420	\$ 2,514,420	\$ 1,931,773	\$ (582,647)
Interest income	17,064	17,064	50,525	33,461
Total revenues	<u>2,531,484</u>	<u>2,531,484</u>	<u>1,982,298</u>	<u>(549,186)</u>
Expenditures				
Debt service principal retirement	395,000	395,000	11,495,000	11,100,000
Debt service interest	524,825	524,825	393,207	(131,618)
Community development	106,000	106,000	624,115	518,115
Capital outlay	-	-	88,388	88,388
Total expenditures	<u>1,025,825</u>	<u>1,025,825</u>	<u>12,600,710</u>	<u>11,574,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,505,659</u>	<u>1,505,659</u>	<u>(10,618,412)</u>	<u>(12,124,071)</u>
Other Financing Sources (Uses)				
Operating transfers	(21,857,507)	(21,857,507)	(7,040,669)	14,816,838
Bond issuance	19,857,507	19,857,507	18,896,166	(961,341)
Total other financing sources	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>11,855,497</u>	<u>13,855,497</u>
Net Change in Fund Balances	<u>\$ (494,341)</u>	<u>\$ (494,341)</u>	<u>\$ 1,237,085</u>	<u>\$ 1,731,426</u>

City of La Vista, Nebraska
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual (Budget Basis) –
Police Academy Fund
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 80,000	\$ 80,862	\$ 862
Interest income	-	12	187	175
Total revenues	<u>-</u>	<u>80,012</u>	<u>81,049</u>	<u>1,037</u>
Expenditures				
Public safety	-	91,728	81,366	(10,362)
Total expenditures	<u>-</u>	<u>91,728</u>	<u>81,366</u>	<u>(10,362)</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>(11,716)</u>	<u>(317)</u>	<u>11,399</u>
Other Financing Sources (Uses)				
Operating transfers	-	20,000	20,000	-
Total other financing sources	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balances	<u><u>\$ -</u></u>	<u><u>\$ 8,284</u></u>	<u><u>\$ 19,683</u></u>	<u><u>\$ 11,399</u></u>