

City of Ralston, Nebraska

Accountants' Report and Financial Statements

September 30, 2012



City of Ralston, Nebraska
September 30, 2012

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Independent Accountants' Report on Financial Statements and Supplementary Information

Honorable Mayor and City Council
City of Ralston, Nebraska
Ralston, Nebraska

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ralston, Nebraska (the City) as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the City prepares its financial statements for its governmental activities, general fund, other governmental funds, internal service fund and fiduciary funds, on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major governmental fund, internal service and fiduciary funds of the City of Ralston, Nebraska, as of September 30, 2012, and the respective changes in financial position – cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the City of Ralston, Nebraska, as of September 30, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

Accounting principles generally accepted in the United States of America require budgetary and pension information 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 the 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.

BKD, LLP

March 21, 2013

City of Ralston, Nebraska

Statement of Net Assets

September 30, 2012

	Governmental Activities (Cash Basis)	Business-Type Activities	Total
Assets			
Cash	\$ 2,409,612	\$ 308,537	\$ 2,718,149
Restricted cash	-	3,758,416	3,758,416
Certificates of deposit	1,500,000	-	1,500,000
Internal balances	65,882	(65,882)	-
Accounts receivable, net	-	107,950	107,950
Prepaid expenses	-	539	539
Deferred charges	-	677,938	677,938
Capital assets, net of accumulated depreciation	-	40,721,050	40,721,050
	<u>3,975,494</u>	<u>45,508,548</u>	<u>49,484,042</u>
Total assets			
Liabilities			
Accounts payable	-	3,037,746	3,037,746
Accrued liabilities	-	146,172	146,172
Deferred revenue	-	321,681	321,681
Noncurrent liabilities			
Accrued compensated balances			
Payable within one year	-	7,804	7,804
Payable in more than one year	-	11,774	11,774
Bonds payable			
Payable within one year	-	4,190,000	4,190,000
Payable in more than one year	-	37,358,944	37,358,944
	<u>-</u>	<u>45,074,121</u>	<u>45,074,121</u>
Total liabilities			
Net Assets			
Invested in capital assets, net of related debt	-	(42,723)	(42,723)
Restricted	3,692,368	-	3,692,368
Unrestricted	283,126	477,150	760,276
	<u>\$ 3,975,494</u>	<u>\$ 434,427</u>	<u>\$ 4,409,921</u>
Total net assets			

City of Ralston, Nebraska
Statement of Activities
Year Ended September 30, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities (Cash basis)							
General government	\$ 1,249,616	\$ 666,575	\$ 141,863	\$ -	\$ (441,178)	\$ -	\$ (441,178)
Public safety	1,792,436	-	-	-	(1,792,436)	-	(1,792,436)
Public works	891,645	-	-	227,440	(664,205)	-	(664,205)
Cultural and recreational	842,175	-	-	-	(842,175)	-	(842,175)
Economic and community development	396,238	1,191,952	-	23,732	819,446	-	819,446
Debt service	609,699	-	-	-	(609,699)	-	(609,699)
Total governmental activities	<u>5,781,809</u>	<u>1,858,527</u>	<u>141,863</u>	<u>251,172</u>	<u>(3,530,247)</u>	<u>-</u>	<u>(3,530,247)</u>
Business-Type Activities							
Sewer	542,683	772,320	-	-	-	229,637	229,637
Arena	400,930	-	-	-	-	(400,930)	(400,930)
Total business-type activities	<u>943,613</u>	<u>772,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(171,293)</u>	<u>(171,293)</u>
Total Primary Government	<u>\$ 6,725,422</u>	<u>\$ 2,630,847</u>	<u>\$ 141,863</u>	<u>\$ 251,172</u>	<u>(3,530,247)</u>	<u>(171,293)</u>	<u>(3,701,540)</u>
General Revenues							
Property taxes					2,417,986	-	2,417,986
Intergovernmental revenue					756,210	-	756,210
Sales taxes					780,876	-	780,876
Investment income					22,505	9,247	31,752
Bond proceeds					250,665	-	250,665
Transfers					(510,774)	510,774	-
Miscellaneous					180,805	-	180,805
Total general revenues and transfers					<u>3,898,273</u>	<u>520,021</u>	<u>4,418,294</u>
Change in Net Assets					<u>368,026</u>	<u>348,728</u>	<u>716,754</u>
Net Assets, Beginning of Year					<u>3,607,468</u>	<u>85,699</u>	<u>3,693,167</u>
Net Assets, End of Year					<u>\$ 3,975,494</u>	<u>\$ 434,427</u>	<u>\$ 4,409,921</u>

City of Ralston, Nebraska
Balance Sheet – Cash Basis
Governmental Funds
September 30, 2012

	General	Street	Lottery	Debt Service	Community Development	Total
Assets						
Cash	\$ 203,875	\$ 625,677	\$ 374,906	\$ 792,767	\$ 333,136	\$ 2,330,361
Certificates of deposit	-	-	1,500,000	-	-	1,500,000
Due from other funds	-	-	-	65,882	-	65,882
Total assets	<u>\$ 203,875</u>	<u>\$ 625,677</u>	<u>\$ 1,874,906</u>	<u>\$ 858,649</u>	<u>\$ 333,136</u>	<u>\$ 3,896,243</u>
Liabilities and Fund Balances						
Liabilities						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances						
Restricted for						
Streets	-	625,677	-	-	-	625,677
Community development	-	-	1,874,906	-	333,136	2,208,042
Debt service	-	-	-	858,649	-	858,649
Unassigned	203,875	-	-	-	-	203,875
Total fund balances	<u>203,875</u>	<u>625,677</u>	<u>1,874,906</u>	<u>858,649</u>	<u>333,136</u>	<u>3,896,243</u>
Total liabilities and fund balances	<u>\$ 203,875</u>	<u>\$ 625,677</u>	<u>\$ 1,874,906</u>	<u>\$ 858,649</u>	<u>\$ 333,136</u>	

Amounts reported for governmental activities in the statement of net assets are different because

Internal service funds are used by management to charge the costs of certain services to individual funds	<u>79,251</u>
Net assets of governmental activities	<u>\$ 3,975,494</u>

City of Ralston, Nebraska
Statement of Revenues, Expenditures and Changes in Fund
Balances – Cash Basis – Governmental Funds
Year Ended September 30, 2012

	General	Street	Lottery	Debt Service	Community Development	Total
Revenues						
Property taxes	\$ 1,773,483	\$ 137,041	\$ -	\$ 507,462	\$ -	\$ 2,417,986
Intergovernmental	172,108	540,269	-	43,833	-	756,210
Sales taxes	780,876	-	-	-	-	780,876
Grant income	141,863	227,440	-	-	23,732	393,035
Charges for services	294,435	-	-	-	-	294,435
Keno income	-	-	1,191,952	-	-	1,191,952
Permits and fees	182,140	-	-	-	-	182,140
Investment income	4,225	-	11,882	5,241	1,157	22,505
Miscellaneous	44,674	-	59,288	-	76,843	180,805
Total revenues	3,393,804	904,750	1,263,122	556,536	101,732	6,219,944
Expenditures						
Current						
General government	1,129,784	-	96,606	-	-	1,226,390
Public safety	1,690,720	-	-	-	-	1,690,720
Public works	-	617,852	-	-	-	617,852
Cultural and recreational	759,638	-	5,000	-	-	764,638
Economic and community development	-	-	396,238	-	-	396,238
Capital outlay	31,835	251,894	5,968	-	-	289,697
Debt service						
Principal	-	-	-	530,000	-	530,000
Interest and fiscal charges	-	-	-	79,699	-	79,699
Total expenditures	3,611,977	869,746	503,812	609,699	-	5,595,234
Excess (Deficiency) of Revenues Over Expenditures	(218,173)	35,004	759,310	(53,163)	101,732	624,710
Other Financing Sources (Uses)						
Operating transfers in (out)	(10,774)	-	(500,000)	-	-	(510,774)
Bond proceeds	-	250,665	-	-	-	250,665
Total other financing sources (uses)	(10,774)	250,665	(500,000)	-	-	(260,109)
Change in Fund Balances	(228,947)	285,669	259,310	(53,163)	101,732	364,601
Fund Balance, Beginning of Year	432,822	340,008	1,615,596	911,812	231,404	3,531,642
Fund Balance, End of Year	\$ 203,875	\$ 625,677	\$ 1,874,906	\$ 858,649	\$ 333,136	\$ 3,896,243

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - total governmental funds	\$ 364,601
Change in net assets of internal service funds	3,425
Changes in net assets of governmental activities	<u>\$ 368,026</u>

City of Ralston, Nebraska

Balance Sheet

Proprietary Funds

September 30, 2012

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Sewer</u>	<u>Arena</u>	<u>Total</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service Fund</u>
				<u>(Cash Basis)</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 290,705	\$ 17,832	\$ 308,537	\$ 79,251
Restricted cash and cash equivalents	-	3,758,416	3,758,416	-
Accounts receivable, net	107,950	-	107,950	-
Prepaid expenses	539	-	539	-
	<u>399,194</u>	<u>3,776,248</u>	<u>4,175,442</u>	<u>79,251</u>
Noncurrent Assets				
Deferred bond issue costs	3,920	674,018	677,938	-
Capital assets, net of accumulated depreciation	205,203	40,515,847	40,721,050	-
	<u>209,123</u>	<u>41,189,865</u>	<u>41,398,988</u>	<u>-</u>
Total Assets	<u>\$ 608,317</u>	<u>\$ 44,966,113</u>	<u>\$ 45,574,430</u>	<u>\$ 79,251</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 50,281	\$ 2,987,465	\$ 3,037,746	\$ -
Due to other funds	-	65,882	65,882	-
Accrued compensated absences	3,669	4,135	7,804	-
Accrued liabilities	2,257	143,915	146,172	-
Deferred revenue	-	321,681	321,681	-
Current portion of long-term debt	30,000	4,160,000	4,190,000	-
	<u>86,207</u>	<u>7,683,078</u>	<u>7,769,285</u>	<u>-</u>
Noncurrent Liabilities				
Accrued compensated absences	11,774	-	11,774	-
Long-term debt	205,000	37,153,944	37,358,944	-
	<u>216,774</u>	<u>37,153,944</u>	<u>37,370,718</u>	<u>-</u>
Total liabilities	<u>302,981</u>	<u>44,837,022</u>	<u>45,140,003</u>	<u>-</u>
Net Assets				
Invested in capital assets, net of related debt	(29,797)	(12,926)	(42,723)	-
Unrestricted	335,133	142,017	477,150	79,251
	<u>305,336</u>	<u>129,091</u>	<u>434,427</u>	<u>79,251</u>
Total Liabilities and Net Assets	<u>\$ 608,317</u>	<u>\$ 44,966,113</u>	<u>\$ 45,574,430</u>	<u>\$ 79,251</u>

City of Ralston, Nebraska
Statement of Revenues, Expenses and Changes in Fund
Net Assets – Proprietary Funds
Year Ended September 30, 2012

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Sewer</u>	<u>Arena</u>	<u>Total</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>		<u>Service Fund</u>
				<u>(Cash Basis)</u>
Operating Revenues				
Charges for services	\$ 772,320	\$ -	\$ 772,320	\$ 190,000
Employee contributions	-	-	-	609,566
Total operating revenues	<u>772,320</u>	<u>-</u>	<u>772,320</u>	<u>799,566</u>
Operating Expenses				
Sewer service	298,428	-	298,428	-
Depreciation and amortization	25,108	-	25,108	-
Repairs and maintenance	3,478	-	3,478	-
Administrative	204,789	400,930	605,719	796,141
Total operating expenses	<u>531,803</u>	<u>400,930</u>	<u>932,733</u>	<u>796,141</u>
Operating Income (Loss)	240,517	(400,930)	(160,413)	3,425
Nonoperating Expenses, Interest Income (Expense)	(10,880)	9,247	(1,633)	-
Transfers from Other Funds	-	510,774	510,774	-
Change in Net Assets	229,637	119,091	348,728	3,425
Net Assets, Beginning of Year	<u>75,699</u>	<u>10,000</u>	<u>85,699</u>	<u>75,826</u>
Net Assets, End of Year	<u>\$ 305,336</u>	<u>\$ 129,091</u>	<u>\$ 434,427</u>	<u>\$ 79,251</u>

City of Ralston, Nebraska
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2012

	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Sewer Fund</u>	<u>Arena Fund</u>	<u>Total</u>	<u>Internal Service Fund (Cash Basis)</u>
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 742,474	\$ 321,681	\$ 1,064,155	\$ 190,000
Employee contributions	-	-	-	609,566
Payments to suppliers	(366,938)	(122,056)	(488,994)	(796,141)
Payments to employees	(164,447)	(249,911)	(414,358)	-
	<u>211,089</u>	<u>(50,286)</u>	<u>160,803</u>	<u>3,425</u>
Net cash provided by (used in) operating activities				
Cash Flows from Capital and Related Financing Activities				
Proceeds from issuance of bonds	-	28,698,550	28,698,550	-
Principal paid on long-term debt	(25,000)	(3,375,000)	(3,400,000)	-
Cost of debt issuance	-	(504,103)	(504,103)	-
Net change in interfund borrowing	-	65,882	65,882	-
Capital expenditures	-	(30,724,471)	(30,724,471)	-
Interest and fiscal charges paid	(10,880)	-	(10,880)	-
Transfers from other funds	-	510,774	510,774	-
	<u>(35,880)</u>	<u>(5,328,368)</u>	<u>(5,364,248)</u>	<u>-</u>
Net cash used in capital and related financing activities				
Cash Flows from Investing Activities				
Interest received	-	9,247	9,247	-
	<u>-</u>	<u>9,247</u>	<u>9,247</u>	<u>-</u>
Net cash provided by investing activities				
Increase (Decrease) in Cash and Cash Equivalents	175,209	(5,369,407)	(5,194,198)	3,425
Cash and Cash Equivalents, Beginning of Year	115,496	9,145,655	9,261,151	75,826
Cash and Cash Equivalents, End of Year	<u>\$ 290,705</u>	<u>\$ 3,776,248</u>	<u>\$ 4,066,953</u>	<u>\$ 79,251</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income	\$ 240,517	\$ (400,930)	\$ (160,413)	\$ 3,425
Depreciation and amortization	25,108	-	25,108	-
Changes in				
Accounts receivable	(29,846)	-	(29,846)	-
Accrued expenses	2,078	14,744	16,822	-
Accounts payable	(26,768)	14,219	(12,549)	-
Deferred revenue	-	321,681	321,681	-
	<u>211,089</u>	<u>(50,286)</u>	<u>160,803</u>	<u>3,425</u>
Net Cash Provided by (Used in) Operating Activities				
Noncash Capital and Financing Activities				
Accounts payable incurred for purchase of capital assets	\$ -	\$ 1,261,670	\$ 1,261,670	\$ -

City of Ralston, Nebraska
Statement of Net Assets – Cash Basis
Fiduciary Funds
September 30, 2012

	Civilian Employee Pension Plan	Police Pension Plan	Total Fiduciary Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 100,820	\$ 88,757	\$ 189,577
Investments	<u>1,793,999</u>	<u>1,102,535</u>	<u>2,896,534</u>
Total assets	<u>1,894,819</u>	<u>1,191,292</u>	<u>3,086,111</u>
 Liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net Assets			
Restricted for Pension benefits	<u>1,894,819</u>	<u>1,191,292</u>	<u>3,086,111</u>
Total net assets	<u><u>\$ 1,894,819</u></u>	<u><u>\$ 1,191,292</u></u>	<u><u>\$ 3,086,111</u></u>

City of Ralston, Nebraska
Statement of Changes in Net Assets – Cash Basis
Fiduciary Funds
Year Ended September 30, 2012

	Civilian Employee Pension Plan	Police Pension Plan	Total Fiduciary Funds
Additions			
Contributions			
Employer	\$ 58,376	\$ 58,241	\$ 116,617
Employee	58,376	58,241	116,617
Total contributions	<u>116,752</u>	<u>116,482</u>	<u>233,234</u>
Net appreciation in fair value of investments	<u>335,896</u>	<u>146,951</u>	<u>482,847</u>
Total additions	<u>452,648</u>	<u>263,433</u>	<u>716,081</u>
Deductions			
Benefit payments	<u>142,820</u>	<u>17,085</u>	<u>159,905</u>
Total deductions	<u>142,820</u>	<u>17,085</u>	<u>159,905</u>
Net Increase	309,828	246,348	556,176
Net Assets, Beginning of Year	<u>1,584,991</u>	<u>944,944</u>	<u>2,529,935</u>
Net Assets, End of Year	<u>\$ 1,894,819</u>	<u>\$ 1,191,292</u>	<u>\$ 3,086,111</u>

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

The City of Ralston (the City) is located in Douglas County, Nebraska, and was first incorporated in 1912 under the provisions of the constitution and the general statutes of the State of Nebraska. The City operates under a mayor-council form of government and provides a full range of services including public safety, roads, sanitation, culture and recreation, planning, zoning, and general administrative services to its residents.

The accompanying financial statements present the City as the primary government. In determining its financial 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 be misleading or incomplete. The Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, and Statement 39, *Determining Whether Certain Organizations are Component Units* have set forth criteria to be considered in determining financial accountability, which were used in making this evaluation.

On July 31, 2007, the City of Ralston Municipal Facilities Corporation was established for the purpose of acquiring and/or leasing buildings, equipment, and facilities to the City of Ralston. The Municipal Facilities Corporation did not enter into a lease transaction until October 23, 2007. The City has determined the Municipal Facilities Corporation to be a blended component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and thus are presented as such.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

In the Statement of Net Assets and Statement of Activities, and the fund financial statements, governmental activities, internal service funds and fiduciary funds are presented using the cash basis of accounting. This basis recognizes assets, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The City's business-type activities, in the Statement of Net Assets, Statement of Activities, and the fund financial statements, are presented using the total economic resources measurement focus and accrual basis of accounting. This basis recognizes revenues when earned, and expenses are recognized when they are incurred. Unbilled service revenues are accrued in the period of consumption.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

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

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict pronouncements of the Governmental Accounting Standards Board.

Government-Wide and Fund Financial Statements

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

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

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and charges between the business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories; governmental, proprietary and fiduciary. 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:

1. 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

City of Ralston, Nebraska

Notes to Financial Statements

September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Government-Wide and Fund Financial Statements - Continued

2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. The funds of the financial reporting entity are as follows:

Major Governmental Funds

The City reports the following major governmental funds:

- The General Fund finances the day-to-day operation of the basic governmental activities, such as legislative, judicial, administration, parks and recreation, public safety, public works and public library.
- The Lottery Fund accounts for the resources obtained from sponsoring keno operations, the funds from which are used for community betterment.
- The Debt Service Fund accounts for resources obtained and used for the payment of interest and principal on general long-term debt obligations.
- The Street Fund accounts for the resources obtained to fund the maintenance and betterment of highways and streets. The primary source of revenue for the fund is state highway allocations.
- The Community Development Fund accounts for various economic and community development resources including grants and revolving loan programs.

Major Enterprise Funds

The City reports the following major enterprise funds:

- The Sewer Fund accounts for the activities of the City's sewer utility.
- The Arena Fund accounts for the activities of the City's sports and events center.

Other Fund Types

Internal Service Fund - The City's Internal Service Fund accounts for payroll services provided to various other governmental funds on a cost reimbursement basis.

Civilian Employee and Police Pension Plan Funds - The pension plan funds account for the receipt, investment and distribution of retirement contributions made for the benefit of police, fire and general city employees.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Budget and Budgetary Accounting

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

1. The City's department and division heads prepare and submit budget requests for the following fiscal year to the City Treasurer who then reviews the requests with the department heads.
2. After this review process has been completed, the City Treasurer 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.
3. A public hearing on the budget is then conducted at a City Council meeting to obtain comments from citizens.
4. Prior to September 20, the City Council legally enacts the ensuing fiscal year's budget through the passage of a resolution adopting the budget.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. The budgets adopted are stated on a cash basis. Budgetary comparisons are presented in the financial statements for all funds which adopt a budget and are on the budgetary basis which is not in accordance with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents, Investments and Investment Income

The City maintains a cash deposit pool that is available for use by all funds. The pool consists of bank deposits. 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 deposits are separately held by several of the City's funds.

Statutes authorize the City to invest in collateralized bank certificates of deposit, time deposits, obligations of the United States Government and selected Federal Agency securities. Certificates of deposit are carried at amortized cost, and all other investments are carried at fair value. Pension trust fund investments are reported at fair value. Fair value is determined using quoted market prices.

Investment income is assigned to the funds with which the related investment asset is associated, except for investments related to bond issues which are legally required to be assigned to the Debt Service Fund.

City of Ralston, Nebraska

Notes to Financial Statements

September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Property Taxes

The following is a summary of the tax payment dates for the City's property tax levies:

1. Real estate tax levies for all political subdivisions in Douglas County are certified by the County Board on or before October 15 of each year. The first and second halves of the taxes become delinquent on the following April 1, and August 1, respectively.
2. Personal property taxes are due November 1 of each year and may be paid in two equal installments. The first and second halves of the taxes become delinquent on December 1, and July 1, respectively.
3. Motor vehicle taxes are due when an application is made for registration of a motor vehicle.

Keno Revenue

Keno revenue is recorded by the City in the period in which it is received. Commissions paid to the Keno operator are netted against gross revenue.

Capital Assets – Sewer and Arena Funds

Capital assets of the sewer fund consist solely of machinery and equipment, while capital assets of the arena fund consist solely of construction in progress. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Machinery and equipment is being depreciated using the straight-line method over 5 to 25 years. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed.

Deferred Bond Issue Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method.

Risk Management

The City is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Compensated Absences

All vacation and sick leave is accrued when incurred in the Sewer and Arena Funds. In the governmental funds, compensated absences are recorded when paid.

Fund Balance – Governmental Funds

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.

Committed – Committed fund balances may be used only for the specific purposes determined by formal action (ordinance or resolution) of the City Council. Commitments may be changed or lifted only by issuance of a resolution or ordinance by the City Council.

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.

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 application 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.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Net assets are displayed in three components:

Invested in capital assets, net of related debt - 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 improvements of those assets.

Restricted net assets - Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations or other governments; or by law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Use of Estimates

The preparation of the 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 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: 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 the 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, 2012, the City’s deposits in excess of FDIC limits are covered by collateral held in a Federal Reserve pledge account or by an agent for the City.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 2: Deposits and Investments - Continued

Pension Trust Fund Investments

The City’s civilian and police pension trusts are allowed to invest in domestic and international equity funds, domestic and foreign bonds and other alternative investments.

At September 30, 2012, the City’s pension trust funds had the following investments:

Type	Carrying Value
Money market mutual funds	\$ 189,577
Mutual funds - fixed income	545,590
Mutual funds - equities	2,350,944
	\$ 3,086,111

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 securities that are in the possession of an outside party.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City uses its pension investment advisor to monitor market conditions and investment securities to determine the maximum yield that can be obtained while minimizing the impact of rising interest rates. The money market and mutual funds are considered investments with a maturity of less than 1 year because they are redeemable in full immediately.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City uses its pension investment advisor to monitor investments and minimize the impact of credit risk.

Concentration of Credit Risk - The pension advisory committee does not have any specific limitation on investments with a single issuer or mutual fund. The pension trust funds utilize various mutual fund groups to diversify investments.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 2: Deposits and Investments - Continued

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the statements of net assets as follows:

Government-wide statement of net assets	
Cash	\$ 2,718,149
Restricted cash	3,758,416
Certificates of deposit	1,500,000
Fiduciary funds statement of net assets	
Cash and cash equivalents	\$ 189,577
Investments	2,896,534

Note 3: Capital Assets - Sewer and Arena Funds

Capital assets activity for the year ended September 30, 2012, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities				
Capital assets, not being depreciated				
Construction in progress	\$ 8,439,596	\$ 32,076,251	\$ -	\$ 40,515,847
Total capital assets, not being depreciated	<u>8,439,596</u>	<u>32,076,251</u>	<u>-</u>	<u>40,515,847</u>
Capital assets, being depreciated				
Machinery and equipment	619,704	-	-	619,704
Total capital assets, being depreciated	<u>619,704</u>	<u>-</u>	<u>-</u>	<u>619,704</u>
Less accumulated depreciation for Machinery and equipment	<u>389,953</u>	<u>24,548</u>	<u>-</u>	<u>414,501</u>
Total accumulated depreciation	<u>389,953</u>	<u>24,548</u>	<u>-</u>	<u>414,501</u>
Total capital assets, being depreciated, net	<u>229,751</u>	<u>(24,548)</u>	<u>-</u>	<u>205,203</u>
Business-type activities capital assets, net	<u>\$ 8,669,347</u>	<u>\$ 32,051,703</u>	<u>\$ -</u>	<u>\$ 40,721,050</u>

During 2012, the Arena Fund incurred \$875,931 of interest cost, which was capitalized into construction in progress.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 4: Long-term Liabilities

The following is a summary of long-term liabilities activity of the City for the year ended September 30, 2012:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental Activities					
General obligation bonds payable	\$ 2,815,000	\$ 255,000	\$ 530,000	\$ 2,540,000	\$ 450,000
Business-Type Activities					
Bonds and Notes					
Sewer revenue bond	\$ 260,000	\$ -	\$ 25,000	\$ 235,000	\$ 30,000
General obligation bonds payable	13,395,000	28,760,000	675,000	41,480,000	4,160,000
Notes payable	2,700,000	-	2,700,000	-	-
Deferred issuance discounts	(111,505)	(61,450)	(6,899)	(166,056)	-
Net bonds and notes	16,243,495	28,698,550	3,393,101	41,548,944	4,190,000
Other liabilities - compensated absences	13,365	18,751	12,538	19,578	7,804
Business-type activities long-term liabilities	\$ 16,256,860	\$ 28,717,301	\$ 3,405,639	\$ 41,568,522	\$ 4,197,804

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 4: Long-term Liabilities - Continued

Long-term debt of the City is comprised of the following individual issues:

Original Amount	Issued	Issue	Interest Rate	Dates Due	Date Callable	Interest Date	Outstanding
Governmental Activities							
General Obligation Bonds							
\$ 710,000	5/10/2005	Refunding Bonds	2.40 - 4.15	Ser. '05 to '14	2010	Semiannually	\$ 240,000
295,000	7/24/2007	Highway Allocation Fund Pledge	4.10 - 4.40	Ser. '07 to '17	2012	Semiannually	220,000
535,000	3/13/2008	General Obligation Refunding Bonds	2.20 - 2.85	Ser. '08 to '12	2012	Semiannually	115,000
640,000	3/5/2009	Refunding Bonds	1.25 - 3.55	Ser. '09 to '18	2014	Semiannually	405,000
150,000	7/20/2010	Highway Allocation Fund Pledge	0.80 - 2.65	Ser. '11 to '16	2015	Semiannually	100,000
760,000	8/10/2010	Vehicle Off-Street Parking Bonds	0.75 - 4.10	Ser. '11 to '26	2015	Semiannually	700,000
310,000	9/8/2010	Public Safety Bonds	0.90 - 2.75	Ser. '12 to '18	2015	Semiannually	270,000
235,000	8/23/2011	Highway Allocation Fund Pledge	0.65 - 2.80	Ser. '13 to '19	2016	Semiannually	235,000
255,000	8/7/2012	Highway Allocation Fund Pledge	0.45 - 1.60	Ser. '13 to '19	2017	Semiannually	<u>255,000</u>
Total General Obligation Bonds							<u>\$ 2,540,000</u>
Business-Type Activities							
Revenue Bonds							
\$ 420,000	9/22/2004	Sewer Revenue Bonds	1.65 - 4.45	Ser. '05 to '19	2009	Semiannually	<u>\$ 235,000</u>
Total Revenue Bonds							<u>\$ 235,000</u>
General Obligation Bonds							
\$ 4,160,000	4/21/2011	Vehicle Off-Street Parking Bonds	3.00	2013	2011	Semiannually	\$ 4,160,000
7,930,000	8/30/2011	General Obligation Arena Bonds	1.15 - 4.50	Ser. '15 to '31	2016	Semiannually	7,930,000
630,000	8/30/2011	General Obligation Arena Bonds	2.10 - 4.85	Ser. '15 to '31	2016	Semiannually	630,000
10,000,000	2/1/2012	General Obligation Arena Bonds Series A	2.00 - 5.00	Ser. '15 to '31	2017	Semiannually	10,000,000
10,440,000	5/22/2012	General Obligation Arena Bonds Series B	1.40 - 5.00	Ser. '14 to '31	2017	Semiannually	10,440,000
4,245,000	9/25/2012	Lease Purchase Bonds	1.65 - 5.10	Ser. '13 to '27	2017	Semiannually	4,245,000
4,075,000	6/1/2012	Vehicle Off Street Parking Bonds	0.55 - 3.70	Ser. '14 to '32	2017	Semiannually	<u>4,075,000</u>
Total General Obligation Bonds							<u>\$41,480,000</u>

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 4: Long-term Liabilities - Continued

Annual requirements to pay principal and interest to maturity on outstanding debt follow:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities General Obligation Bonds		
2013	\$ 450,000	\$ 69,855
2014	365,000	60,246
2015	385,000	50,975
2016	305,000	40,506
2017	280,000	32,668
2018-2022	520,000	82,266
2023-2027	<u>235,000</u>	<u>24,240</u>
	<u>\$ 2,540,000</u>	<u>\$ 360,756</u>
Business-Type Activities Revenue Bonds		
2013	\$ 30,000	\$ 9,943
2014	30,000	8,773
2015	30,000	7,558
2016	35,000	6,313
2017	35,000	4,825
2018-2022	<u>75,000</u>	<u>5,100</u>
	<u>\$ 235,000</u>	<u>\$ 42,512</u>
Business-Type Activities General Obligation Bonds		
2013	\$ 4,160,000	\$ 1,461,276
2014	525,000	1,376,803
2015	1,575,000	1,370,003
2016	1,655,000	1,345,553
2017	1,740,000	1,314,781
2018-2022	9,685,000	5,880,301
2023-2027	11,120,000	4,091,298
2028-2032	<u>11,020,000</u>	<u>1,292,135</u>
	<u>\$ 41,480,000</u>	<u>\$ 18,132,150</u>

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 5: Retirement Plans

Civilian Employee Pension Plan

Plan Description

The civilian employee pension plan is a single-employer defined benefit pension plan administered by the City. All full-time City employees that have reached the age of 21 are eligible to participate in the plan. Benefits vest over ten years of service. City employees who retire at or after age 65 with 15 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 50% of his or her average compensation, multiplied by an accrued benefit adjustment.

The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes and City ordinance.

Funding Policy

City employees fully participating in the plan are required to contribute 6% of their annual salary to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, including plan expenses, using a consistent actuarial method.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation for the year ended July 31, 2012, the date of the latest actuarial valuation, are:

Annual required contribution	\$ 102,397
Interest on net pension obligation	3,481
Adjustment to annual required contribution	<u>(4,553)</u>
Annual pension cost	101,325
Contributions made	<u>49,813</u>
Increase in pension obligation	(51,512)
Net pension obligation, beginning	<u>(46,412)</u>
Net pension obligation, ending	<u><u>\$ (97,924)</u></u>

City of Ralston, Nebraska

Notes to Financial Statements

September 30, 2012

Note 5: Retirement Plans - Continued

Three Year Trend Information					
Year Ended July 31,	Annual Pension Cost (APC)	Annual Pension Contribution	Percentage of APC Contributed	Net Pension Asset (Obligation)	
2012	\$ 101,325	\$ 49,813	49%	\$	(97,924)
2011	110,961	45,549	41%		(46,412)
2010	104,048	44,506	43%		19,000

Actuarial Methods and Assumptions

The annual required contribution for the current year was calculated using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 5% annually, and (c) the assumption that benefits will not increase after retirement. The actuarial value of assets is based solely on market value on an annual basis. The unfunded actuarial liability is being amortized as a level percentage of payroll on an open basis over a period of 20 years.

Required Schedule of Funding Progress

The schedule of funding progress presented as required supplementary information immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Police Pension Plan

The City’s single employer police pension plan covers all uniformed employees of the Ralston 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 6% of the employee’s base salary per pay period. Additional contributions may be made by the City as required to fund the benefits payable under the plan. However, the benefit for participants employed prior to January 1, 1984 and any uniformed officer disabled or killed in the line of duty shall not be less than 50% of the participant’s regular pay, as defined. Contributions to the police retirement plan by the City were \$58,241 and plan members contributed \$58,241 for 2012. The plan assets are held by a leading Nebraska financial institution, with administration services provided by an actuarial firm.

City of Ralston, Nebraska
Notes to Financial Statements
September 30, 2012

Note 6: Interfund Balances and Activity

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Balances due to/from other funds at September 30, 2012 consist of \$65,882 due to the Debt Service fund from the Arena fund for interest payments made by the Debt Service fund on behalf of the Arena fund.

Transfers to/from funds during the year ended September 30, 2012 consisted of a \$500,000 transfer from the Lottery fund to the Arena fund and a \$10,774 transfer from the General fund to the Arena fund. Net keno proceeds from the Lottery fund are utilized to support a variety of community development projects, which are expended in the General and Street funds.

Note 7: Contingencies

Federal and State Programs

The City participates in a number of federal and state assistance programs. The programs are subject to financial and compliance audits or reviews. The amounts of expenditures, if any, which may be disallowed by the granting agencies, is not determinable; however, City officials do not believe such amounts would be significant.

Claims and Litigation

The City is involved in various litigation matters arising from 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.

Required Supplementary Information

City of Ralston, Nebraska
Budgetary Comparison Schedule – Cash Basis
General Fund
Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,382,253	\$ 1,382,253	\$ 1,773,483	\$ 391,230
Intergovernmental	6,300	6,300	172,108	165,808
Sales taxes	710,000	710,000	780,876	70,876
Grant income	3,000	3,000	141,863	138,863
Charges for services	290,000	290,000	294,435	4,435
Permits and fees	93,000	93,000	182,140	89,140
Investment income	3,000	3,000	4,225	1,225
Miscellaneous	607,500	607,500	44,674	(562,826)
Total revenues	<u>3,095,053</u>	<u>3,095,053</u>	<u>3,393,804</u>	<u>298,751</u>
Expenditures				
General government	1,096,800	1,096,800	1,129,784	(32,984)
Public safety	1,773,575	1,773,575	1,690,720	82,855
Cultural and recreational	790,600	790,600	759,638	30,962
Capital outlay	250,000	250,000	31,835	218,165
Miscellaneous	32,000	32,000	-	32,000
Total expenditures	<u>3,942,975</u>	<u>3,942,975</u>	<u>3,611,977</u>	<u>330,998</u>
Deficiency of Revenues Over Expenditures	(847,922)	(847,922)	(218,173)	629,749
Transfers Out	-	-	(10,774)	(10,774)
Change in Fund Balances	<u>\$ (847,922)</u>	<u>\$ (847,922)</u>	<u>\$ (228,947)</u>	<u>\$ 618,975</u>

City of Ralston, Nebraska
Budgetary Comparison Schedule – Cash Basis
Street Fund
Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 104,041	\$ 104,041	\$ 137,041	\$ 33,000
Intergovernmental	553,568	553,568	540,269	(13,299)
Grant income	-	-	227,440	227,440
	<u>657,609</u>	<u>657,609</u>	<u>904,750</u>	<u>247,141</u>
Expenditures				
Public works	678,700	678,700	617,852	60,848
Capital outlay	250,000	250,000	251,894	(1,894)
	<u>928,700</u>	<u>928,700</u>	<u>869,746</u>	<u>58,954</u>
Excess (Deficiency) of Revenues Over Expenditures	(271,091)	(271,091)	35,004	306,095
Bond Proceeds	<u>250,000</u>	<u>250,000</u>	<u>250,665</u>	<u>665</u>
Change in Fund Balances	<u>\$ (21,091)</u>	<u>\$ (21,091)</u>	<u>\$ 285,669</u>	<u>\$ 306,760</u>

City of Ralston, Nebraska
Budgetary Comparison Schedule – Cash Basis
Lottery Fund
Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Keno income	\$ 970,000	\$ 970,000	\$ 1,191,952	\$ 221,952
Investment income	20,000	20,000	11,882	(8,118)
Miscellaneous	500	500	59,288	58,788
	<u>990,500</u>	<u>990,500</u>	<u>1,263,122</u>	<u>272,622</u>
Expenditures				
General government	20,000	20,000	96,606	(76,606)
Cultural and recreational	-	-	5,000	(5,000)
Economic and community development	340,000	340,000	396,238	(56,238)
Capital outlay	67,000	67,000	5,968	61,032
	<u>427,000</u>	<u>427,000</u>	<u>503,812</u>	<u>(76,812)</u>
Excess of Revenues Over Expenditures	563,500	563,500	759,310	195,810
Transfers Out	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Change in Fund Balances	<u>\$ 563,500</u>	<u>\$ 563,500</u>	<u>\$ 259,310</u>	<u>\$ (304,190)</u>

City of Ralston, Nebraska
Schedule of Funding Progress
September 30, 2012

*Schedule of Funding Progress
For the Civilian Employee Pension Plan*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as of Percentage of Covered Payroll ((b - a) / c)
August 1, 2012	\$ 1,753,221	\$ 2,307,676	\$ 554,455	76%	\$ 1,089,042	51%
August 1, 2011	1,755,419	2,223,874	468,455	79%	724,143	65%
August 1, 2010	1,563,647	2,189,525	625,878	71%	757,773	83%
August 1, 2009	1,425,976	2,061,961	635,985	69%	776,101	82%
August 1, 2008	1,627,016	1,914,595	287,579	85%	729,827	39%
August 1, 2007	1,758,783	1,723,823	(34,960)	102%	626,303	-6%

*Schedule of Employer Contributions
For the Civilian Employee Pension Plan*

Fiscal Year	Annual Required Contribution	Actual Pension Contribution	Percentage Contributed
2012	\$ 102,397	\$ 49,813	49%
2011	110,522	45,549	41%
2010	102,235	44,506	44%
2009	74,475	43,613	59%
2008	35,717	41,915	117%
2007	31,802	37,634	118%