

# **City of Ralston, Nebraska**

Independent Auditor's Reports and Financial Statements

September 30, 2021

# City of Ralston, Nebraska

## September 30, 2021

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## Independent Auditor's Report

The Honorable Mayor and Members of the City Council  
City of 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, 2021, 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 and the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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, each major fund, and the aggregate remaining fund information of the City of Ralston, Nebraska, as of September 30, 2021, 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 for the business-type activities and each major proprietary fund, and in accordance with the basis of accounting described in the Basis of Accounting paragraph included below for the governmental activities, each major governmental fund and fiduciary funds.

### ***Basis of Accounting***

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The City prepares the financial statements for its governmental activities, each major governmental fund and fiduciary funds on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, in 2021, the City adopted Governmental Accounting Standards Board (GASB) Statements No. 84, *Fiduciary Activities* and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Our opinions are not modified with respect to this matter.

### ***Other Matter***

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison and pension information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison and pension information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**BKD, LLP**

Omaha, Nebraska  
February 18, 2022

**City of Ralston, Nebraska**  
**Statement of Net Position**  
**September 30, 2021**

	<b>Governmental Activities (Cash Basis)</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,682,253	\$ 1,700,254	\$ 4,382,507
Cash and investments held with trustee	5,011,860	-	5,011,860
Accounts receivable, net	-	172,307	172,307
Due from other governments	-	1,059,538	1,059,538
Inventories	-	29,976	29,976
Prepaid expenses	-	112,334	112,334
Capital assets, net of accumulated depreciation	-	33,099,760	33,099,760
	<u>7,694,113</u>	<u>36,174,169</u>	<u>43,868,282</u>
<b>Liabilities</b>			
Accounts payable	-	534,366	534,366
Accrued interest payable	-	159,881	159,881
Accrued liabilities	-	287,787	287,787
Unearned revenue	-	301,151	301,151
Noncurrent liabilities			
Bonds payable			
Payable within one year	-	2,247,670	2,247,670
Payable in more than one year	-	26,524,953	26,524,953
	<u>-</u>	<u>30,055,808</u>	<u>30,055,808</u>
Total liabilities	<u>-</u>	<u>30,055,808</u>	<u>30,055,808</u>
<b>Net Position</b>			
Net investment in capital assets	-	4,320,018	4,320,018
Restricted	6,180,839	1,065,329	7,246,168
Unrestricted	1,513,274	733,014	2,246,288
	<u>1,513,274</u>	<u>733,014</u>	<u>2,246,288</u>
Total net position	<u>\$ 7,694,113</u>	<u>\$ 6,118,361</u>	<u>\$ 13,812,474</u>

**City of Ralston, Nebraska**  
**Statement of Activities**  
**Year Ended September 30, 2021**

Functions / Programs	Expenses/ Disbursements	Program Revenues/Receipts			Net (Expense/Disbursements) Revenue/Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities (Cash Basis)	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental Activities (Cash basis)							
General government	\$ 3,447,460	\$ 725,277	\$ 1,341,843	\$ -	\$ (1,380,340)	\$ -	\$ (1,380,340)
Public safety	1,917,849	-	-	-	(1,917,849)	-	(1,917,849)
Public works	1,431,679	-	1,525,516	-	93,837	-	93,837
Cultural and recreational	539,774	-	-	-	(539,774)	-	(539,774)
Economic and community development	1,059,137	1,499,563	-	-	440,426	-	440,426
Debt service	1,166,009	-	-	-	(1,166,009)	-	(1,166,009)
Total governmental activities	9,561,908	2,224,840	2,867,359	-	(4,469,709)	-	(4,469,709)
Business-Type Activities							
Sewer	1,016,502	1,163,315	-	-	-	146,813	146,813
Arena	8,074,876	5,360,135	5,320,844	-	-	2,606,103	2,606,103
Total business-type activities	9,091,378	6,523,450	5,320,844	-	-	2,752,916	2,752,916
<b>Total Primary Government</b>	<b>\$ 18,653,286</b>	<b>\$ 8,748,290</b>	<b>\$ 8,188,203</b>	<b>\$ -</b>	<b>(4,469,709)</b>	<b>2,752,916</b>	<b>(1,716,793)</b>
<b>General Revenues</b>							
Property taxes					3,576,624	-	3,576,624
Intergovernmental					532,837	-	532,837
Sales taxes					1,930,824	-	1,930,824
Investment income					724,892	55	724,947
Issuance of long-term debt					1,100,000	-	1,100,000
Sale of assets					800,000	-	800,000
Transfers					(2,307,745)	2,307,745	-
Miscellaneous					101,176	35,636	136,812
Total general revenues and transfers					6,458,608	2,343,436	8,802,044
<b>Change in Net Position</b>					1,988,899	5,096,352	7,085,251
<b>Net Position, Beginning of Year</b>					5,705,214	1,022,009	6,727,223
<b>Net Position, End of Year</b>					<b>\$ 7,694,113</b>	<b>\$ 6,118,361</b>	<b>\$ 13,812,474</b>

**City of Ralston, Nebraska**  
**Balance Sheet – Cash Basis**  
**Governmental Funds**  
**September 30, 2021**

	<b>General Fund</b>	<b>Street Fund</b>	<b>Lottery Fund</b>	<b>Debt Service Fund</b>	<b>Community Development Fund</b>	<b>Total</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,513,274	\$ 645,878	\$ 375,554	\$ 24,813	\$ 122,734	\$ 2,682,253
Cash and investments held with trustee	-	-	-	-	5,011,860	5,011,860
Total assets	<u>\$ 1,513,274</u>	<u>\$ 645,878</u>	<u>\$ 375,554</u>	<u>\$ 24,813</u>	<u>\$ 5,134,594</u>	<u>\$ 7,694,113</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Balances</b>						
Restricted for						
Streets	-	645,878	-	-	-	645,878
Community development	-	-	375,554	-	5,134,594	5,510,148
Debt service	-	-	-	24,813	-	24,813
Unassigned	1,513,274	-	-	-	-	1,513,274
Total fund balances	<u>1,513,274</u>	<u>645,878</u>	<u>375,554</u>	<u>24,813</u>	<u>5,134,594</u>	<u>7,694,113</u>
Total liabilities and fund balances	<u>\$ 1,513,274</u>	<u>\$ 645,878</u>	<u>\$ 375,554</u>	<u>\$ 24,813</u>	<u>\$ 5,134,594</u>	<u>\$ 7,694,113</u>

**City of Ralston, Nebraska**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balances – Cash Basis – Governmental Funds**  
**Year Ended September 30, 2021**

	General Fund	Street Fund	Lottery Fund	Debt Service Fund	Community Development Fund	Total
<b>Revenues</b>						
Property taxes	\$ 2,433,972	\$ -	\$ -	\$ 1,142,652	\$ -	\$ 3,576,624
Intergovernmental	431,634	881,900	-	101,203	-	1,414,737
Sales taxes	1,380,981	549,843	-	-	-	1,930,824
Charges for services	343,732	-	-	-	-	343,732
Keno income	-	-	1,499,563	-	-	1,499,563
Permits and fees	381,545	-	-	-	-	381,545
Grants and donations	1,341,843	643,616	-	-	-	1,985,459
Investment income	167	-	1,000	195	723,530	724,892
Miscellaneous	40,655	3,050	57,471	-	-	101,176
Total revenues	<u>6,354,529</u>	<u>2,078,409</u>	<u>1,558,034</u>	<u>1,244,050</u>	<u>723,530</u>	<u>11,958,552</u>
<b>Expenditures</b>						
Current						
General government	3,447,460	-	-	-	-	3,447,460
Public safety	1,917,849	-	-	-	-	1,917,849
Public works	-	1,043,032	-	-	-	1,043,032
Cultural and recreational	539,774	-	-	-	-	539,774
Economic and community development	-	-	811,659	-	247,478	1,059,137
Capital outlay	-	388,647	-	-	-	388,647
Debt service						
Principal	-	240,000	-	860,000	-	1,100,000
Interest and fiscal charges	-	33,312	-	32,697	-	66,009
Total expenditures	<u>5,905,083</u>	<u>1,704,991</u>	<u>811,659</u>	<u>892,697</u>	<u>247,478</u>	<u>9,561,908</u>
<b>Excess of Revenues Over Expenditures</b>	<u>449,446</u>	<u>373,418</u>	<u>746,375</u>	<u>351,353</u>	<u>476,052</u>	<u>2,396,644</u>
<b>Other Financing Uses</b>						
Issuance of long-term debt	-	267,904	-	832,096	-	1,100,000
Sale of assets	800,000	-	-	-	-	800,000
Transfers out	(434,040)	-	(495,330)	(1,378,375)	-	(2,307,745)
Total other financing uses	<u>365,960</u>	<u>267,904</u>	<u>(495,330)</u>	<u>(546,279)</u>	<u>-</u>	<u>(407,745)</u>
<b>Change in Fund Balances</b>	815,406	641,322	251,045	(194,926)	476,052	1,988,899
<b>Fund Balance, Beginning of Year</b>	<u>697,868</u>	<u>4,556</u>	<u>124,509</u>	<u>219,739</u>	<u>4,658,542</u>	<u>5,705,214</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,513,274</u>	<u>\$ 645,878</u>	<u>\$ 375,554</u>	<u>\$ 24,813</u>	<u>\$ 5,134,594</u>	<u>\$ 7,694,113</u>



**City of Ralston, Nebraska**  
**Balance Sheet**  
**Proprietary Funds**  
**September 30, 2021**

	<b>Business-Type Activities</b>		
	<b>Sewer Fund</b>	<b>Arena Fund</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 613,357	\$ 1,086,897	\$ 1,700,254
Accounts receivable, net	137,725	34,582	172,307
Due from other governments	-	1,059,538	1,059,538
Inventories	-	29,976	29,976
Prepaid expenses	-	112,334	112,334
Total current assets	<u>751,082</u>	<u>2,323,327</u>	<u>3,074,409</u>
<b>Noncurrent Assets</b>			
Capital assets, net of accumulated depreciation	<u>117,401</u>	<u>32,982,359</u>	<u>33,099,760</u>
<b>Total Assets</b>	<u><u>\$ 868,483</u></u>	<u><u>\$ 35,305,686</u></u>	<u><u>\$ 36,174,169</u></u>
<b>Liabilities and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 139,446	\$ 394,920	\$ 534,366
Accrued interest payable	-	159,881	159,881
Accrued liabilities	-	287,787	287,787
Unearned revenue	-	301,151	301,151
Current portion of long-term debt	-	2,247,670	2,247,670
Total current liabilities	<u>139,446</u>	<u>3,391,409</u>	<u>3,530,855</u>
<b>Noncurrent Liabilities</b>			
Long-term debt	<u>-</u>	<u>26,524,953</u>	<u>26,524,953</u>
Total noncurrent liabilities	<u>-</u>	<u>26,524,953</u>	<u>26,524,953</u>
<b>Net Position</b>			
Net investment in capital assets	117,401	4,202,617	4,320,018
Restricted for debt service	-	1,065,329	1,065,329
Unrestricted	<u>611,636</u>	<u>121,378</u>	<u>733,014</u>
Total net position	<u>729,037</u>	<u>5,389,324</u>	<u>6,118,361</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 868,483</u></u>	<u><u>\$ 35,305,686</u></u>	<u><u>\$ 36,174,169</u></u>

**City of Ralston, Nebraska**  
**Statement of Revenues, Expenses and Changes in**  
**Net Position – Proprietary Funds**  
**Year Ended September 30, 2021**

	<b>Business-Type Activities</b>		
	<b>Sewer Fund</b>	<b>Arena Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 1,163,315	\$ -	\$ 1,163,315
Food and beverage sales	-	1,274,221	1,274,221
Event revenue	-	3,704,633	3,704,633
Rent income	-	306,549	306,549
Advertising revenue	-	2,162	2,162
Suite and premium seat revenue	-	72,570	72,570
Miscellaneous	-	35,636	35,636
	<u>1,163,315</u>	<u>5,395,771</u>	<u>6,559,086</u>
<b>Total operating revenues</b>			
	<u>1,163,315</u>	<u>5,395,771</u>	<u>6,559,086</u>
<b>Operating Expenses</b>			
Sewer service	755,453	-	755,453
Arena operations	-	1,962,051	1,962,051
Event expenses	-	2,874,266	2,874,266
Food and beverage cost of sales	-	389,657	389,657
General and administrative	226,127	203,002	429,129
Depreciation	34,499	838,553	873,052
Repairs and maintenance	-	276,923	276,923
	<u>1,016,079</u>	<u>6,544,452</u>	<u>7,560,531</u>
<b>Total operating expenses</b>			
	<u>1,016,079</u>	<u>6,544,452</u>	<u>7,560,531</u>
<b>Operating Income (Loss)</b>	<u>147,236</u>	<u>(1,148,681)</u>	<u>(1,001,445)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	-	5,320,844	5,320,844
Interest income	-	55	55
Interest expense	(423)	(1,530,424)	(1,530,847)
	<u>(423)</u>	<u>(1,530,424)</u>	<u>(1,530,847)</u>
<b>Total nonoperating revenues (expenses)</b>			
	<u>(423)</u>	<u>3,790,475</u>	<u>3,790,052</u>
<b>Other Financing Sources</b>			
Transfers in	-	2,307,745	2,307,745
	<u>-</u>	<u>2,307,745</u>	<u>2,307,745</u>
<b>Change in Net Position</b>	146,813	4,949,539	5,096,352
<b>Net Position, Beginning of Year</b>	<u>582,224</u>	<u>439,785</u>	<u>1,022,009</u>
<b>Net Position, End of Year</b>	<u>\$ 729,037</u>	<u>\$ 5,389,324</u>	<u>\$ 6,118,361</u>

**City of Ralston, Nebraska**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended September 30, 2021**

	<b>Business-Type Activities</b>		
	<b>Sewer Fund</b>	<b>Arena Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 1,154,991	\$ 5,593,022	\$ 6,748,013
Payments to suppliers	(1,116,616)	(4,513,278)	(5,629,894)
Payments to employees	(144)	(978,536)	(978,680)
Net cash provided by operating activities	<u>38,231</u>	<u>101,208</u>	<u>139,439</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Advances on revolving note payable	-	1,920,000	1,920,000
Repayments on revolving note payable	-	(3,838,501)	(3,838,501)
Transfers from other funds	-	1,327,745	1,327,745
Net cash used in noncapital financing activities	<u>-</u>	<u>(590,756)</u>	<u>(590,756)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Payments for acquisition of capital assets	-	(531,022)	(531,022)
Principal paid on long-term debt	(40,720)	(3,162,781)	(3,203,501)
Proceeds from intergovernmental revenues	-	3,652,857	3,652,857
Proceeds from grants	-	1,500,921	1,500,921
Interest and fiscal charges paid	(423)	(1,558,516)	(1,558,939)
Transfers from other funds	-	980,000	980,000
Net cash provided by (used in) capital and related financing activities	<u>(41,143)</u>	<u>881,459</u>	<u>840,316</u>
<b>Cash Flows from Investing Activities</b>			
Interest received	-	55	55
<b>Net Change in Cash and Cash Equivalents</b>	<u>(2,912)</u>	<u>391,966</u>	<u>389,054</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>616,269</u>	<u>694,931</u>	<u>1,311,200</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 613,357</u>	<u>\$ 1,086,897</u>	<u>\$ 1,700,254</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ 147,236	\$ (1,148,681)	\$ (1,001,445)
Depreciation	34,499	838,553	873,052
Changes in operating assets and liabilities			
Accounts receivable	(8,324)	61,407	53,083
Inventories	-	1,063	1,063
Prepaid expenses	-	(27,316)	(27,316)
Net pension asset/liability	(19,030)	-	(19,030)
Deferred outflows for pensions	34,725	-	34,725
Accrued expenses	(26,537)	227,740	201,203
Accounts payable	(98,494)	12,598	(85,896)
Unearned revenue	-	135,844	135,844
Deferred inflows for pensions	(25,844)	-	(25,844)
<b>Net Cash Provided By Operating Activities</b>	<u>\$ 38,231</u>	<u>\$ 101,208</u>	<u>\$ 139,439</u>
<b>Supplemental Cash Flows Information</b>			
Capital asset acquisitions included in accounts payable	\$ -	\$ 7,119	\$ 7,119

**City of Ralston, Nebraska**  
**Statement of Fiduciary Net Position – Cash Basis**  
**September 30, 2021**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 73,099	\$ -
Investments	4,364,793	-
Total assets	4,437,892	-
<b>Liabilities - Due to Others</b>		
	-	-
<b>Net Position</b>		
Restricted for pensions	4,437,892	-
Restricted for other governments	-	-
Total net position	4,437,892	-
Total liabilities and net position	\$ 4,437,892	\$ -

**City of Ralston, Nebraska**  
**Statement of Changes in Fiduciary Net Position – Cash Basis**  
**Year Ended September 30, 2021**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions		
Employer	\$ 69,275	\$ -
Employee	31,123	-
Net appreciation in fair value of investments	687,259	-
Tax increment financing receipts	-	716,915
	787,657	716,915
<b>Deductions</b>		
Benefit payments	224,209	-
Tax increment financing disbursements	-	716,915
	224,209	716,915
<b>Net Increase in Net Position</b>	563,448	-
<b>Net Position, Beginning of Year, as Previously Reported</b>	6,248,717	-
<b>Adjustment for Implementation of GASB 84 (See Note 1)</b>	(2,374,273)	-
<b>Net Position, Beginning of Year, as Restated</b>	3,874,444	-
<b>Net Position, End of Year</b>	\$ 4,437,892	\$ -

# **City of Ralston, Nebraska**

## **Notes to Financial Statements**

### **September 30, 2021**

#### **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) has set forth criteria to be considered in determining financial accountability, which was used in making this evaluation.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and thus are presented as such. On July 31, 2007, the City of Ralston Municipal Facilities Corporation (Corporation) was established for the purpose of acquiring and/or leasing buildings, equipment, and facilities to the City of Ralston. As the Corporation was formed as a not-for-profit corporation with the City as the sole corporate member, the City has determined the Corporation to be a blended component unit. The Community Redevelopment Authority of the City of Ralston (the Authority) is also included as a fiduciary component unit of the City of Ralston, Nebraska, as the Mayor of the City has the responsibility for appointing members of the governing board of the Authority.

During 2019, the City entered into a Management Agreement with Global Spectrum, L.P. d/b/a Spectra Venue Management (Spectra) for the administration and operation of the City's Arena. Under the Management Agreement, the City retains ownership of all facilities, data, equipment and materials, while Spectra acts as the sole and exclusive manager and operator of the Arena facilities. For these services, Spectra earns a fixed management fee plus certain financial and qualitative incentive fees. The Management Agreement extends through September 30, 2024 and may be renewed for an additional five-year period upon mutual written agreement between the City and Spectra.

##### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

In the Statement of Net Position, Statement of Activities, and the fund financial statements, governmental activities and fiduciary funds are presented using the cash basis of accounting. This basis recognizes assets, net position/fund balance, 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 Position, 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, regardless of the timing of the related cash flows. Unbilled service revenues are accrued in the period of consumption.

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

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

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

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 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.

***Government-Wide and Fund Financial Statements***

***Government-Wide Financial Statements*** - The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity 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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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, deferred outflows, liabilities, deferred inflows, fund balance/net position, 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:

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

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

***Government-Wide and Fund Financial Statements - Continued***

1. Total assets and deferred outflows, liabilities and deferred inflows, 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
2. Total assets and deferred outflows, liabilities and deferred inflows, 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.

**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 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 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 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 event center.

**Fiduciary Funds**

The Pension Trust Funds account for the receipt, investment and distribution of retirement contributions made for the benefit of general city employees participating in the City's defined benefit pension plan. The Custodial Funds account for resources held by the City in a custodial capacity, for the benefit of other governments or outside organizations.



**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**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's Finance Committee who then reviews the requests with the department heads.
2. After this review process has been completed, these budget requests are presented 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. The pension trust funds consider all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents held within the pension trust funds consist of money market funds at September 30, 2021. 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, 2021**

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

***Cash and Investments Held with Trustee***

The City has been named as the beneficiary of a charitable bequest from a donor, whereby an account has been established at the Nebraska Community Foundation (the Foundation) and monies deposited into the account from the donor are to be used specifically for the City's Hinge Project and related development. The Foundation acts as the Trustee for the account and has the responsibility to approve distributions to the City from the account, once the City is able to substantiate that eligible expenditures have been incurred. Any interest and investment earnings from the cash and investment funds held with the Trustee are allocated to the balance held for the benefit of the City. During the 2021 fiscal year, distributions of \$246,687 were made from the account to the City for project costs and are recorded as expenditures in the City's financial statements.

***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 of land, building and improvements, furniture and fixtures, and machinery and equipment. 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 and furniture and fixtures are being depreciated using the straight-line method over 5 to 25 years. Building and improvements are being depreciated using the straight-line method over 35 years.

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

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

***Due From Other Governments – Arena Fund***

Amounts due from other governments consist of amounts due from the State of Nebraska under provisions of the Sports Arena Facility Financing Assistance Act. Amounts are recorded when certified by the State Tax Commissioner.

***Inventories – Arena Fund***

Inventories consist of food and beverage items at the City’s Arena Fund. Inventories are stated at cost, which is determined using the first-in, first-out (FIFO) 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.

***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.

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

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

***Fund Balance – Governmental Funds - Continued***

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.

***Net Position***

Net position is displayed in three components:

*Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* – Consists of net position 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 position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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.

***Implementation of New Accounting Standards***

During 2021, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* (GASB 84) and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (GASB 97). The objective of these statements is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As a result of this implementation, the City evaluated certain potential fiduciary activities and determined that the assets held for the benefit of certain City employees participating in defined contribution retirement plans are not considered

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

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

***Implementation of New Accounting Standards - Continued***

fiduciary in nature and are no longer reported in the City's fiduciary funds. The result of this change required the City to restate the beginning balance of the City's pension trust funds for assets related to these defined contribution retirement plans. Additionally, the City determined that activity related to tax increment financing programs, which was previously reported within the community development fund, should be reported as fiduciary activities within custodial funds. As no tax increment financing program assets were held by the City at September 30, 2020, no restatement of beginning balances was required as a result of this change in reporting.

**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, 2021, the City's deposit balances totaled \$3,225,164, and deposit balances in excess of FDIC limits, totaling \$2,475,164 are covered by collateral held in a Federal Reserve pledge account or by an agent for the City.

***Investments Held with Trustee***

The investments held with trustee represent an investment pool maintained by the Nebraska Community Foundation (the Foundation). Investment decisions related to the investment pool are made by investment managers selected and approved by the Foundation's Board of Directors and must adhere to the Nebraska Community Foundation Investment Policy, adopted by the Foundation's Board of Directors. The City's investments at the Foundation are invested in accordance with the equity-weighted asset allocation model, which sets investment targets of 75% for equities and 25% for fixed income investments. The investment policy also states that fixed income investments must have an equivalent credit quality of investment grade or better, as measured by certain credit ratings for each specific investment type. The City's allocated balance of the investment pool can be liquidated at any time, with 30 days notice provided to the Foundation.

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 2: Deposits and Investments - Continued**

***Pension Trust Fund Investments***

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

At September 30, 2021, the City’s pension trust funds had the following investments:

<b>Type</b>	<b>Carrying Value</b>	<b>Credit Rating</b>
Money market mutual funds	\$ 73,099	N/A
Mutual funds - fixed income	1,335,811	N/A
Mutual funds - equities	3,028,982	N/A
	<u>\$ 4,437,892</u>	

***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.

***Summary of Carrying Values***

The carrying values of the City’s deposits and investments are included in the statements of net position as follows:

Government-wide statement of net position	
Cash and cash equivalents	\$ 4,382,507
Cash and investments held with trustee	
Cash held with trustee	1,191,446
Investments held with trustee	3,820,414
Fiduciary funds statement of net position	
Cash and cash equivalents	\$ 73,099
Investments	4,364,793

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 3: 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

Money market mutual funds are carried at amortized cost, and thus are not included within the fair value hierarchy. The investments held with trustee are measured on a recurring basis and are classified within Level 2 of the fair value hierarchy at September 30, 2021. The Pension Trust Funds' investments in mutual funds are measured at fair value on a recurring basis, and are classified within Level 1 of the fair value hierarchy at September 30, 2021.

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 4: Capital Assets - Sewer and Arena Funds**

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

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 8,623,388	\$ -	\$ -	\$ 8,623,388
Total capital assets, not being depreciated	<u>8,623,388</u>	<u>-</u>	<u>-</u>	<u>8,623,388</u>
Capital assets, being depreciated				
Building and improvements	31,075,456	114,349	-	31,189,805
Furniture and fixtures	4,689,213	211,378	-	4,900,591
Machinery and equipment	810,579	212,414	-	1,022,993
Total capital assets, being depreciated	<u>36,575,248</u>	<u>538,141</u>	<u>-</u>	<u>37,113,389</u>
Less accumulated depreciation for				
Building and improvements	6,479,028	788,527	-	7,267,555
Furniture and fixtures	4,631,423	23,487	-	4,654,910
Machinery and equipment	653,514	61,038	-	714,552
Total accumulated depreciation	<u>11,763,965</u>	<u>873,052</u>	<u>-</u>	<u>12,637,017</u>
Total capital assets, being depreciated, net	<u>24,811,283</u>	<u>(334,911)</u>	<u>-</u>	<u>24,476,372</u>
Business-type activities capital assets, net	<u>\$ 33,434,671</u>	<u>\$ (334,911)</u>	<u>\$ -</u>	<u>\$ 33,099,760</u>

Depreciation was charged to functions/programs as follows:

<b>Business-Type Activities</b>	
Sewer	\$ 34,499
Arena	<u>838,553</u>
	<u>\$ 873,052</u>



**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 5: Long-term Liabilities**

The following is a summary of long-term liabilities activity of the City for the year ended September 30, 2021:

	<b>Beginning Balances</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balances</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
General obligation bonds	\$ 1,960,000	\$ 1,100,000	\$ 1,100,000	\$ 1,960,000	\$ 395,000
Notes payable - Direct borrowing	514,228	-	27,650	486,578	29,740
Governmental activities long-term liabilities	<u>\$ 2,474,228</u>	<u>\$ 1,100,000</u>	<u>\$ 1,127,650</u>	<u>\$ 2,446,578</u>	<u>\$ 424,740</u>
<b>Business-Type Activities</b>					
<b>Bonds and Notes</b>					
General obligation bonds and notes	\$ 31,365,000	-	\$ 3,075,000	\$ 28,290,000	\$ 2,155,000
Notes payable - Direct borrowing	2,617,147	1,920,000	3,967,002	570,145	92,670
Unamortized issuance discounts	(96,248)	-	(8,726)	(87,522)	-
Net bonds and notes	<u>33,885,899</u>	<u>1,920,000</u>	<u>7,033,276</u>	<u>28,772,623</u>	<u>2,247,670</u>
<b>Other Liabilities</b>					
Compensated absences	24,712	-	24,712	-	-
Net pension liability	19,030	-	19,030	-	-
Business-type activities long-term liabilities	<u>43,742</u>	<u>-</u>	<u>43,742</u>	<u>-</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 33,929,641</u>	<u>\$ 1,920,000</u>	<u>\$ 7,077,018</u>	<u>\$ 28,772,623</u>	<u>\$ 2,247,670</u>

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 5: 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
<b>Governmental Activities</b>							
General Obligation Bonds							
\$ 760,000	8/10/2010	Vehicle Off-Street Parking Bonds	0.75 - 4.10	Ser. '11 to '26	2015	Semiannually	\$ 290,000
530,000	4/9/2013	Highway Allocation Fund Pledge Bonds	0.40 - 2.15	Ser. '13 to '22	2018	Semiannually	65,000
530,000	9/3/2014	Highway Allocation Fund Pledge Bonds	0.45 - 2.70	Ser. '15 to '24	2019	Semiannually	195,000
300,000	8/21/2015	Highway Allocation Fund Pledge Bonds	0.90 - 2.30	Ser. '17 to '22	2020	Semiannually	50,000
400,000	9/25/2018	Highway Allocation Fund Pledge Bonds	2.35 - 3.60	Ser. '19 to '28	2023	Semiannually	260,000
1,100,000	9/2/2020	Highway Allocation Fund Pledge Bonds	1.25 - 2.25	Ser. '22 to '31	2025	Semiannually	<u>1,100,000</u>
		Total General Obligation Bonds					<u>\$ 1,960,000</u>
Notes Payable - Direct borrowing							
\$ 541,878	10/7/2019	Note Payable - Equipment	3.71	10/7/2034	N/A	Annually	<u>\$ 486,578</u>
<b>Business-Type Activities</b>							
General Obligation Bonds and Notes							
\$ 7,930,000	8/30/2011	General Obligation Arena Bonds	1.15 - 4.50	Ser. '15 to '31	2016	Semiannually	\$ 5,590,000
630,000	8/30/2011	General Obligation Arena Bonds	2.10 - 4.85	Ser. '15 to '31	2016	Semiannually	420,000
10,000,000	2/1/2012	General Obligation Arena Bonds Series A	2.00 - 5.00	Ser. '15 to '31	2017	Semiannually	7,025,000
10,440,000	5/22/2012	General Obligation Arena Bonds Series B	1.40 - 5.00	Ser. '14 to '31	2017	Semiannually	6,505,000
4,245,000	9/25/2012	Lease Purchase Bonds	1.65 - 5.10	Ser. '13 to '27	2017	Semiannually	2,085,000
4,075,000	6/1/2012	Vehicle Off-Street Parking Bonds	0.55 - 3.70	Ser. '14 to '32	2017	Semiannually	2,620,000
4,295,000	5/1/2013	Vehicle Off-Street Parking Bonds	2.30 - 6.00	Ser. '17 to '33	2018	Semiannually	<u>4,045,000</u>
		Total General Obligation Bonds and Notes					<u>\$ 28,290,000</u>
Notes Payable - Direct borrowing							
\$ 700,100	3/19/2020	Note Payable - Facility Purchase	5.00	3/19/2027	N/A	Monthly	<u>\$ 570,145</u>

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 5: Long-term Liabilities - Continued**

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
<b>Governmental Activities General Obligation Bonds</b>		
2022	\$ 395,000	\$ 44,105
2023	285,000	35,748
2024	285,000	28,781
2025	230,000	21,483
2026	175,000	15,478
2027-2031	590,000	31,871
	<u>\$ 1,960,000</u>	<u>\$ 177,466</u>
<b>Governmental Activities Notes Payable - Direct Borrowing</b>		
2022	\$ 29,740	\$ 18,014
2023	30,843	16,911
2024	31,988	15,766
2025	33,175	14,580
2026	34,405	13,349
2027-2031	192,146	46,624
2032-2035	134,281	10,007
	<u>\$ 486,578</u>	<u>\$ 135,251</u>
<b>Business-Type Activities General Obligation Bonds and Notes</b>		
2022	\$ 2,155,000	\$ 1,295,165
2023	2,165,000	1,218,003
2024	1,980,000	1,138,563
2025	2,095,000	1,060,573
2026	2,585,000	963,048
2027-2031	14,655,000	2,864,898
2032-2033	2,655,000	227,745
	<u>\$ 28,290,000</u>	<u>\$ 8,767,995</u>
<b>Business-Type Activities Notes Payable - Direct Borrowing</b>		
2022	\$ 92,670	\$ 26,370
2023	97,411	21,628
2024	102,395	16,645
2025	108,189	10,851
2026	113,141	5,899
2027	56,339	3,288
	<u>\$ 570,145</u>	<u>\$ 84,681</u>

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 5: Long-term Liabilities - Continued**

In December 2020, the City entered into a loan agreement with a local financial institution to renew its revolving note payable and extend its maturity through December 2022. The new loan agreement was issued in a total amount of \$1,920,000 and bears interest at 6.50%. The maximum amount available under the loan agreement decreases by \$40,000 each quarter, until the maximum amount available has been reduced to \$1,000,000. The City advanced and redeemed \$1,920,000 under this agreement during 2021, and no balance remained outstanding at September 30, 2021.

***Line of Credit***

The City has an unsecured revolving line of credit at a local financial institution, expiring in December 2049, that has a maximum limit of \$500,000, with an interest rate of 3.25% and payments due on demand. No amounts were drawn on this line of credit during the year ended September 30, 2021.

***Pledged Revenue and Collateral***

The Highway Allocation Fund Pledge Bonds are secured by a pledge of the revenues received from the City's annual allocation of the State of Nebraska Highway Funds, through final maturity of the bonds in 2031. The total principal and interest remaining to be paid on the bonds is \$1,811,890, with annual payments expected to require approximately 32% of revenues.

The revolving note payable is collateralized by the unrestricted revenues of the City, the equipment note payable is collateralized by the equipment financed with the borrowing, and the facilities purchase note payable is collateralized by certain other assets of the City. The Commercial Security Agreements for the notes payable include several instances which would constitute an event of default under the agreement, including, but not limited to, non-payment or other defaults, insolvency, and a material adverse change in the City's financial condition. Under the Commercial Security Agreements, in the event of such default, the lender has the ability to take possession of the collateral or also declare any outstanding indebtedness immediately due and payable.

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 6: Retirement Plans**

***Civilian Employee Defined Benefit Pension Plan***

***Plan Description*** – The Civilian Employee Defined Benefit Pension Plan (Civilian Plan) is a single-employer defined benefit pension plan administered by the City. The City Council serves as the Civilian Plan’s board. Plan provisions are established by State Statutes and City ordinance, and can be amended by the City Council. All full-time City employees hired before July 1, 2017, that have reached the age of 21 are eligible to participate in the Civilian Plan. The City does not issue a separate report that includes financial statements and required supplementary information for the Civilian Plan.

***Benefits*** – City employees who retire at or after age 65 with 10 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. Benefits vest over ten years of service. For employees opting for early retirement, the monthly benefit is reduced by a factor which is based on the number of years before the normal retirement date. For employees retiring after the normal retirement, the monthly benefit is increased by a factor which is based on the number of years following the normal retirement date.

***Contributions and Funding Policy*** – City employees participating in the Civilian Plan are required to contribute 6% of their annual salary. The City is required to contribute the remaining amounts necessary to fund the Civilian Plan, including plan expenses, using a consistent actuarial method. City contributions for 2021 were \$69,275. Amounts contributed by employees during 2021 totaled \$31,123.

***Plan Membership*** – At September 30, 2021, membership in the Civilian Plan consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	8
Total	36

***Net Pension Asset*** – The Civilian Plan’s net pension asset was measured as of September 30, 2021 based on an actuarial valuation as of August 1, 2021 rolled forward to September 30, 2021. The components of the net pension asset of the Civilian Plan at September 30, 2021, were as follows:

Total pension liability	\$ 4,220,186
Plan fiduciary net position (market value)	(4,437,892)
Net pension asset	\$ (217,706)
Plan fiduciary net position as a percentage of the total pension asset	105.16%

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 6: Retirement Plans - Continued**

*Actuarial Assumptions* – The total pension liability as of September 30, 2021, was determined by an actuarial valuation using the entry age normal cost method, and included the following actuarial assumptions:

Price inflation	2.60%
Salary increases, including wage inflation	3.0 to 4.0%
Long-term rate of return, net of investment expense, including price inflation	5.75%

Mortality rates are based on the Pub-2010 General Mortality Table with generational improvements using Scale MP-2021. The actuarial assumptions used in the valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending July 31, 2018.

*Discount Rate* – The discount rate used to measure the total pension liability at September 30, 2021 was 5.75%, which was a decrease from the prior discount rate of 5.80% used to measure the total pension liability at September 30, 2020. The projection of cash flows used to determine the discount rate assumed that the contributions from the City would be made at the full actuarial contribution amount determined each year. Based on that assumption, the Civilian Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive Civilian Plan employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

*Long-term Rate of Return* – The long-term expected rate of return on pension plan investments is generally reviewed on a regular basis as part of the actuarial valuation process. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Actual long-term historical results achieved by the plan were also considered. Best estimate of geometric real rate of return for each major asset class included in the Civilian Plan’s target asset allocation as of September 30, 2021, are summarized in the following table.

<b>Asset Class</b>	<b>Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	38.00%	1.94%
Equities	46.00%	5.57%
Alternatives	16.00%	4.56%
	100.00%	

# City of Ralston, Nebraska

## Notes to Financial Statements

September 30, 2021

### Note 6: Retirement Plans - Continued

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate* – The following presents the net pension asset of the Civilian Plan, calculated using the discount rate of 5.75%, as well as what the Civilian Plan’s net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	4.75%	5.75%	6.75%
Net pension (asset) liability	\$ 227,802	\$ (217,706)	\$ (595,882)

#### *Changes in the Net Pension (Asset) Liability*

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
<b>Balance at Beginning of Year</b>	\$ 4,108,705	\$ 3,874,444	\$ 234,261
Changes for the year			
Service cost	84,413	-	84,413
Interest	231,894	-	231,894
Differences between expected and actual experience	(8,346)	-	(8,346)
Assumption changes	27,729	-	27,729
Employer contributions	-	69,275	(69,275)
Employee contributions	-	31,123	(31,123)
Net investment income	-	687,259	(687,259)
Benefit payments, including member refunds	(224,209)	(224,209)	-
Net changes	111,481	563,448	(451,967)
<b>Balance at End of Year</b>	\$ 4,220,186	\$ 4,437,892	\$ (217,706)

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 6: Retirement Plans - Continued**

*Deferred Inflows and Outflows of Resources Related to Pensions* – Under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Investment gains and losses are recognized over a closed five-year period. Economic and demographic gains and losses and changes in the total pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of September 30, 2021, the deferred inflows and outflows of resources are as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings	\$ -	\$ (150,188)
Changes of assumptions	174,855	(7,762)
Differences between expected and actual experience	24,482	(385,776)
Total	\$ 199,337	\$ (543,726)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized into pension expense as follows:

<b>Year Ended September 30,</b>	
2022	\$ (48,359)
2023	(105,292)
2024	(97,521)
2025	(93,217)
	\$ (344,389)

***Civilian Employee Defined Contribution Pension Plan***

The Civilian Employee Defined Contribution Pension Plan is a single employer defined contribution pension plan administered by the City. As of September 30, 2021, there were seven active participants in the Plan. Benefit provisions are contained in the plan document and were established and can be amended by action of the City Council. All full-time City employees hired after July 1, 2017 are eligible to participate in the Plan. The Plan requires that City employees contribute 6% of eligible compensation each pay period. The City is required to match employee contributions, not to exceed 6% of eligible employee contributions. City contributions can be reduced using Plan forfeitures. City employees are vested in City matching contributions ratably over a ten-year period. Contributions to the Plan by the City were \$31,416 and members contributed \$31,416 during 2021. No forfeitures were used to reduce City contributions during 2021.



**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 6: Retirement Plans - Continued**

***Police Defined Contribution Pension Plan***

The City's single employer Police Defined Contribution Pension Plan (Police Plan) covers all uniformed employees of the Ralston Police Department. The Police Plan was converted effective January 1, 1984, from a defined benefit plan to a defined contribution plan. As of September 30, 2021, there were 17 active participants in the Police Plan. The Police Plan has no participants employed prior to January 1, 1984.

Benefit provisions are contained in the plan document and were established and can be amended by action of the City's governing body. The Police Plan requires that both the employee and the City contribute an amount equal to 7% of the employee's base salary per pay period. Any forfeitures shall first be used to reduce the City's contributions, then used to pay administrative costs of the Police Plan.

Contributions to the Police Plan by the City were \$99,913 and members contributed \$79,913 for 2021. No forfeitures were used to reduce City contributions during 2021.

**Note 7: Interfund Balances and Activity**

Transfers included in the financial statements during the year ended September 30, 2021 consisted of the following:

From General to Arena for certain sales tax collections that were intended to be used for Arena purposes, but are initially collected within the General Fund	\$ 434,040
From Debt Service to Arena for property tax collections that were intended to be used for Arena debt service, but are initially collected within the Debt Service Fund	1,378,375
From Lottery to Arena for cash flow purposes	<u>495,330</u>
	<u><u>\$ 2,307,745</u></u>

**City of Ralston, Nebraska**  
**Notes to Financial Statements**  
**September 30, 2021**

**Note 8: Tax Abatements**

The City provides tax abatements under the Tax Increment Financing Program (TIF). 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, are administered as a rebate of the incremental taxes generated from the 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 a TIF council prior to commencing the improvements. This refund reduces the net monthly property tax to the City of Ralston. The City of Ralston is not prohibited from releasing information that may be considered public record and therefore available to any entity submitting the proper request to the city clerk. Taxes abated under this program for the fiscal year ended September 30, 2021 were approximately \$208,000.

**Note 9: 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.

**Note 10: Subsequent Events**

In December 2021, the City entered into a Naming, Advertising and Sponsorship Agreement with Liberty First Credit Union, for the naming rights, signage and other sponsorship benefits at the City's Arena. The agreement commences January 1, 2022 and extends for ten years, and also provides for annual payments by Liberty First Credit Union ranging between \$160,000 and \$185,483.

## **Other Information**

**City of Ralston, Nebraska**  
**Budgetary Comparison Schedule – Cash Basis**  
**General Fund**  
**Year Ended September 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 2,497,061	\$ 2,497,061	\$ 2,433,972	\$ (63,089)
Intergovernmental	277,112	277,112	431,634	154,522
Sales taxes	1,081,000	1,081,000	1,380,981	299,981
Charges for services	380,200	380,200	343,732	(36,468)
Permits and fees	349,120	349,120	381,545	32,425
Grants and donations	138,000	2,137,989	1,341,843	(796,146)
Investment income	2,000	2,000	167	(1,833)
Miscellaneous	7,000	7,000	40,655	33,655
<b>Total revenues</b>	<b>4,731,493</b>	<b>6,731,482</b>	<b>6,354,529</b>	<b>(376,953)</b>
<b>Expenditures</b>				
General government	2,264,072	4,687,252	3,447,460	1,239,792
Public safety	1,935,230	1,935,230	1,917,849	17,381
Cultural and recreational	531,983	531,983	539,774	(7,791)
<b>Total expenditures</b>	<b>4,731,285</b>	<b>7,154,465</b>	<b>5,905,083</b>	<b>1,249,382</b>
<b>Excess of Revenues Over Expenditures</b>	<b>208</b>	<b>(422,983)</b>	<b>449,446</b>	<b>872,429</b>
<b>Other Financing Sources</b>				
Sale of assets	-	800,000	800,000	-
Transfers out	-	(150,000)	(434,040)	(284,040)
<b>Total other financing uses</b>	<b>-</b>	<b>650,000</b>	<b>365,960</b>	<b>(284,040)</b>
<b>Change in Fund Balance</b>	<b>\$ 208</b>	<b>\$ 227,017</b>	<b>\$ 815,406</b>	<b>\$ 588,389</b>

**City of Ralston, Nebraska**  
**Budgetary Comparison Schedule – Cash Basis**  
**Street Fund**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 675,948	\$ 675,948	\$ 881,900	\$ 205,952
Sales taxes	589,000	589,000	549,843	(39,157)
Grants and donations	-	-	643,616	643,616
Miscellaneous	6,300	6,300	3,050	(3,250)
	<u>1,271,248</u>	<u>1,271,248</u>	<u>2,078,409</u>	<u>807,161</u>
<b>Expenditures</b>				
Public works	1,016,013	1,166,013	1,043,032	122,981
Capital outlay	373,815	373,815	388,647	(14,832)
Debt service	281,072	281,072	273,312	7,760
	<u>1,670,900</u>	<u>1,820,900</u>	<u>1,704,991</u>	<u>115,909</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(399,652)</u>	<u>(549,652)</u>	<u>373,418</u>	<u>923,070</u>
<b>Other Financing Sources</b>				
Issuance of long-term debt	400,000	400,000	267,904	(132,096)
Transfers in	-	150,000	-	(150,000)
	<u>400,000</u>	<u>550,000</u>	<u>267,904</u>	<u>(282,096)</u>
<b>Change in Fund Balance</b>	<u>\$ 348</u>	<u>\$ 348</u>	<u>\$ 641,322</u>	<u>\$ 640,974</u>

**City of Ralston, Nebraska**  
**Budgetary Comparison Schedule – Cash Basis**  
**Lottery Fund**  
**Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Keno income	\$ 1,320,000	\$ 1,320,000	\$ 1,499,563	\$ 179,563
Investment income	6,600	6,600	1,000	(5,600)
Miscellaneous	<u>54,000</u>	<u>54,000</u>	<u>57,471</u>	<u>3,471</u>
Total revenues	<u>1,380,600</u>	<u>1,380,600</u>	<u>1,558,034</u>	<u>177,434</u>
<b>Expenditures</b>				
Economic and community development	<u>592,500</u>	<u>592,500</u>	<u>811,659</u>	<u>(219,159)</u>
Total expenditures	<u>592,500</u>	<u>592,500</u>	<u>811,659</u>	<u>(219,159)</u>
<b>Excess of Revenues Over Expenditures</b>	788,100	788,100	746,375	(41,725)
<b>Transfers Out</b>	<u>(788,000)</u>	<u>(788,000)</u>	<u>(495,330)</u>	<u>292,670</u>
<b>Change in Fund Balances</b>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 251,045</u>	<u>\$ 250,945</u>

# City of Ralston, Nebraska

## Supplementary Information

### Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios For the Civilian Employee Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 84,413	\$ 132,340	\$ 181,107	\$ 236,794	\$ 256,946	\$ 234,430	\$ 215,084	\$ 202,145
Interest	231,894	233,905	231,300	225,833	230,948	226,653	241,941	199,518
Effect of economic/demographic gains or losses	(8,346)	69,021	(109,207)	(112,128)	(182,121)	(193,117)	(93,771)	75,094
Assumption changes	27,729	180,819	(12,019)	(9,474)	337,473	-	-	-
Benefit payments	(224,209)	(208,548)	(292,347)	(222,582)	(272,386)	(151,227)	(174,126)	(205,891)
Net change in total pension liability	111,481	407,537	(1,166)	118,443	370,860	116,739	189,128	270,866
Total pension liability - beginning	4,108,705	3,701,168	3,702,334	3,583,891	3,213,031	3,096,292	2,907,164	2,636,298
Total pension liability - ending	\$ 4,220,186	\$ 4,108,705	\$ 3,701,168	\$ 3,702,334	\$ 3,583,891	\$ 3,213,031	\$ 3,096,292	\$ 2,907,164
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 69,275	\$ 37,620	\$ 122,445	\$ 193,174	\$ 206,899	\$ 187,063	\$ 255,090	\$ 212,054
Contributions - employee	31,123	37,620	57,615	69,163	86,899	87,063	86,008	92,054
Net investment income (loss)	687,259	260,805	207,898	155,233	388,406	254,998	(17,602)	211,563
Benefit payments	(224,209)	(208,548)	(292,347)	(222,582)	(272,386)	(151,227)	(174,126)	(205,891)
Net change in plan fiduciary net position	563,448	127,497	95,611	194,988	409,818	377,897	149,370	309,780
Plan fiduciary net position - beginning	3,874,444	3,746,947	3,651,336	3,456,348	3,046,530	2,668,633	2,519,263	2,209,483
Plan fiduciary net position - ending	\$ 4,437,892	\$ 3,874,444	\$ 3,746,947	\$ 3,651,336	\$ 3,456,348	\$ 3,046,530	\$ 2,668,633	\$ 2,519,263
<b>Net Pension (Asset) Liability</b>	\$ (217,706)	\$ 234,261	\$ (45,779)	\$ 50,998	\$ 127,543	\$ 166,501	\$ 427,659	\$ 387,901
Plan fiduciary net position as a percentage of the total pension liability	105.16%	94.30%	101.24%	98.62%	96.44%	94.82%	86.19%	86.66%
Covered payroll	\$ 518,717	\$ 627,000	\$ 960,250	\$ 1,213,386	\$ 1,448,317	\$ 1,451,050	\$ 1,459,989	\$ 1,420,467
Net pension (asset) liability as a percentage of covered payroll	-41.97%	37.36%	-4.77%	4.20%	8.81%	11.47%	29.29%	27.31%

**Note to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

### Schedule of Investment Returns

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	18.09%	7.09%	5.82%	4.48%	12.59%	9.36%	-0.68%	9.47%

## City of Ralston, Nebraska Supplementary Information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined employer contribution	\$ 69,275	\$ 85,063	\$ 122,445	\$ 193,174	\$ 204,628	\$ 143,079	\$ 147,383	\$ 159,536
Actual employer contribution	<u>69,275</u>	<u>37,620</u>	<u>122,445</u>	<u>193,174</u>	<u>206,899</u>	<u>187,063</u>	<u>255,090</u>	<u>212,054</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 47,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,271)</u>	<u>\$ (43,984)</u>	<u>\$ (107,707)</u>	<u>\$ (52,518)</u>
Covered payroll	\$ 518,717	\$ 627,000	\$ 960,250	\$ 1,213,386	\$ 1,448,317	\$ 1,451,050	\$ 1,459,989	\$ 1,420,467
Actual contributions as a percentage of covered payroll	13.36%	6.00%	12.75%	15.92%	14.29%	12.89%	17.47%	14.93%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

Valuation date:	8/1/2020	8/1/2019	8/1/2018	8/1/2017	8/1/2016	8/1/2015	8/1/2014	8/1/2013
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Actuarially determined contribution rates are calculated as of August 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method:	25 years level dollar, open	20 years, level dollar, open	20 years, level dollar, open	20 years, level dollar, open	20 years, level dollar, open	20 years, level percent, open	20 years, level percent, open	20 years, level percent, open
Remaining amortization period:	25 years	17 years	18 years	20 years	20 years	20 years	20 years	20 years
Asset valuation method:	Market	Market	Market	Market	Market	Market	Market	Market
Inflation:	2.60%	2.60%	2.60%	2.60%	3.00%	3.00%	3.00%	3.00%
Salary increases:	3.00% to 4.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment rate of return:	6.50%	6.50%	6.50%	6.50%	7.50%	7.50%	7.50%	7.50%



# **City of Ralston, Nebraska**

## **Required Supplementary Information**

### ***Schedule of Employer Contributions For the Civilian Employee Pension Plan - Continued***

Changes of benefit and funding terms: The following changes to the plan provisions were reflected in the valuation performed as of August 1:

8/1/2017 valuation:

- Employees who are hired on or after July 1, 2017 are not eligible to participate in the Plan.

Changes in actuarial assumptions and methods:

8/1/2021 valuation:

- The mortality assumption was changed from the Pub-2010 General Mortality Table, with generational improvement using Scale MP-2020, to the Pub-2010 General Mortality Table, with generational improvement using Scale MP-2021.

8/1/2020 valuation:

- The assumed rate of investment return was changed from 6.50% for all years to 6.50% through July 21, 2029, followed by 5.50% through July 31, 2039, and 4.50% thereafter to reflect the expected change in future asset allocations due to the closure of the Plan.
- The mortality assumption was changed from the RP-2014 Total Dataset Mortality Table, with generational improvement using Scale MP-2019, to the Pub-2010 General Mortality Table, with generational improvement using Scale MP-2020.
- Termination rates were changed from age-based rates to service-based rates from the Small Plan Service Table from the Society of Actuaries (SOA) 2003 Pension Plan Turnover Study.
- The salary increase assumption was changed from a flat 5.00% increase per year to a service-based table that decreases from 4.00% to 3.00% as service increases. Salary increase timing was also updated to the beginning of the plan year to better reflect actual pay increase timing.
- An assumption regarding the percent of retiring members who will elect to take a refund of their employee contribution balance was implemented at 50%.
- The UAL amortization period was reset to a closed 25-year period, beginning with the August 1, 2020 funding valuation.

8/1/2019 valuation:

- The mortality improvement scale changed from MP-2018 to MP-2019

8/1/2018 valuation:

- The mortality improvement scale changed from MP-2017 to MP-2018

8/1/2017 valuation:

- The assumed rate of investment return was lowered from 7.50% to 6.50%.
- The assumed rate of inflation was lowered from 3.00% to 2.60%.
- The mortality improvement scale changed from MP-2016 to MP-2017.
- The UAL amortization period was changed from an open 20-year period to a closed 20-year period that began August 1, 2016.

**City of Ralston, Nebraska**  
**Required Supplementary Information**

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

8/1/2016 valuation:

- The mortality improvement scale changed from MP-2015 to MP-2016.

8/1/2015 valuation:

- The mortality improvement scale changed from MP-2014 to MP-2015.