



Financial Statements  
June 30, 2022  
City of Carlin

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## Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Carlin  
State of Nevada

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2022, 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.

#### ***Basis for Opinions***

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

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 5 through 12, budgetary comparison information on pages 49 through 52, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios for the City of Carlin Employee Health Benefit Plan and State of Nevada Public Employees' Benefit Plan on pages 53 and 54, the Schedule of City's Share of Net Pension Liability on page 55, and the Schedule of the City's Contributions on page 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management's Discussion and Analysis, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios for the City of Carlin Employee Health Benefit Plan and State of Nevada Public Employees' Benefit Plan, the Schedule of City's Share of Net Pension Liability, and the Schedule of the City's Contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Supplementary 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 combining and individual nonmajor fund financial statements and budgetary comparisons are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the schedule of fees imposed subject to the provision of NRS 354.5989 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Prior-Year Comparative Information**

The individual fund schedules related to the 2021 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The statements and schedules referred to above are consistent in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2023, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Elko, Nevada  
January 19, 2023

The Management's Discussion and Analysis (MD&A) is presented to provide the reader with an overview of the financial activity and financial condition of the City of Carlin (City). This document is required by the Governmental Accounting Standards Board (GASB) in Statement No. 34 and subsequent statements governing the presentation of the financial statements, MD&A, and note disclosure for state and local governments. The major components of this financial report include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI)

The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities.

### **Overview of the Financial Statements**

The City's basic financial statements include the following elements:

#### **Government-wide Financial Statements**

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the City's net position changed during the fiscal year is presented in the Statement of Activities.

#### **Fund Financial Statements**

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds.

#### **Notes to the Financial Statements**

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.



Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

**Table 1: Major Features of the Basic Financial Statements**

	<b>Government-Wide Financial Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire City Government	Activities of the City that are not proprietary funds	Activities of the City that are operated similar to private businesses
<b>Required Financial Statements</b>	Statement of Net Position, Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows
<b>Accounting Basis</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Types of Asset/Liability/Deferred Inflow/Outflow Information Measurement Focus</b>	All assets and liabilities both financial, capital assets and short-term and long-term, deferred inflows/outflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included. Deferred inflows/outflows are resources for which cash will be received or expended in a future period	All assets and liabilities both financial, capital assets and short-term and long-term, deferred inflows/outflows of resources
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**Condensed Statement of Net Position**

The largest component, \$7,102,507 of the City's net position reflects its investment in capital assets (i.e., land, infrastructure, buildings, equipment and others) less depreciation and any related debt outstanding that was needed to acquire or construct the assets. Capital Assets represent 41.25% of this City's total Net Position. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these capital assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, restricted cash increased to \$1,574,657, \$1,529,553 of this amount was restricted cash for the unspent grant funding received in advance from the American Rescue Plan Act (ARPA), \$12,100 for debt service, and \$33,004 in permanent funds that are required to be left as a minimum reserve.

Table 2 below presents the City's condensed statement of net position. These are derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 9,735,928	\$ 7,331,384	\$ 4,651,720	\$ 4,596,490	\$ 14,387,648	\$ 11,927,874
Capital assets	4,656,494	4,689,518	2,557,404	2,707,723	7,213,898	7,397,241
Total assets	14,392,422	12,020,902	7,209,124	7,304,213	21,601,546	19,325,115
Deferred outflows of resources	825,747	254,847	250,812	77,477	1,076,559	332,324
Other liabilities	1,692,251	160,845	43,849	38,570	1,736,100	199,415
Long-term liabilities						
Due in one year	48,733	53,186	27,882	31,289	76,615	84,475
Due in more than one year	1,677,160	2,158,644	468,488	606,462	2,145,648	2,765,106
Total liabilities	3,418,144	2,372,675	540,219	676,321	3,958,363	3,048,996
Deferred inflows of resources	1,146,018	298,950	357,320	99,588	1,503,338	398,538
Net investment in capital assets	4,545,103	4,571,209	2,557,404	2,707,723	7,102,507	7,278,932
Restricted	220,094	176,721	-	-	220,094	176,721
Unrestricted	5,888,810	4,856,194	4,004,993	3,898,058	9,893,803	8,754,252
Total net position	\$ 10,654,007	\$ 9,604,124	\$ 6,562,397	\$ 6,605,781	\$ 17,216,404	\$ 16,209,905

## Changes in Net Position

Table 3 presents the City's changes in net position, as derived from the government-wide Statement of Activities. Over time, increases and decreases measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by \$1,049,883 and the net position of the business-type activities decreased by \$43,384.

**Table 3: Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 293,745	\$ 242,885	\$ 1,138,432	\$ 1,121,096	\$ 1,432,177	\$ 1,363,981
Operating grants contributions	150,066	610,994	-	-	150,066	610,994
Capital grants and contributions	182,680	3,000	25	-	182,705	3,000
Total program revenues	626,491	856,879	1,138,457	1,121,096	1,764,948	1,977,975
General revenues						
Taxes						
Property	496,904	482,412	-	-	496,904	482,412
Room	39,611	41,430	-	-	39,611	41,430
Fuel	51,752	51,388	-	-	51,752	51,388
Consolidated tax revenues	2,416,629	2,281,513	-	-	2,416,629	2,281,513
Interest and investment earnings	748	1,071	15,126	16,970	15,874	18,041
Miscellaneous	52,751	88,041	-	-	52,751	88,041
Total general revenues	3,058,395	2,945,855	15,126	16,970	3,073,521	2,962,825
Total revenues	3,684,886	3,802,734	1,153,583	1,138,066	4,838,469	4,940,800
Program expenses						
General government	777,188	837,450	-	-	777,188	837,450
Public safety	1,023,175	1,003,994	-	-	1,023,175	1,003,994
Judicial	55,233	40,682	-	-	55,233	40,682
Public works	313,781	317,513	-	-	313,781	317,513
Health and sanitation	115,576	97,118	-	-	115,576	97,118
Culture and recreation	344,868	307,778	-	-	344,868	307,778
Water	-	-	575,140	505,320	575,140	505,320
Garbage	-	-	156,492	150,391	156,492	150,391
Sewer	-	-	414,601	398,554	414,601	398,554
Street lights	-	-	50,734	29,926	50,734	29,926
Interest on long-term debt	5,182	5,472	-	-	5,182	5,472
Total expenses	2,635,003	2,610,007	1,196,967	1,084,191	3,831,970	3,694,198
Transfer In (Out)	-	(2,000,000)	-	2,000,000	-	-
Change in net position	1,049,883	(807,273)	(43,384)	2,053,875	1,006,499	1,246,602
Net position, beginning of year	9,604,124	10,411,397	6,605,781	4,551,906	16,209,905	14,963,303
Net position, end of year	\$ 10,654,007	\$ 9,604,124	\$ 6,562,397	\$ 6,605,781	\$ 17,216,404	\$ 16,209,905

**Program Expenses and Revenues for Governmental Activities**

Table 4 presents program expenses and revenues for governmental activities. Generally, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were, therefore, supported by general revenues, which are derived primarily from consolidated tax revenue from the State and from property taxes.

**Table 4: Program Expenses and Revenues  
for Governmental Activities  
For the Fiscal Year Ended June 30, 2022**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program (Expenses)/Revenues</u>
General Government	\$ 777,188	\$ -	\$ (777,188)
Public Safety	1,023,175	315,081	(708,094)
Judicial	55,233	-	(55,233)
Public Works	313,781	90,568	(223,213)
Health and Sanitation	115,576	1,050	(114,526)
Culture and Recreation	344,868	219,792	(125,076)
Interest Long-term Debt	5,182	-	(5,182)
 Total	 <u>\$ 2,635,003</u>	 <u>\$ 626,491</u>	 <u>\$ (2,008,512)</u>

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

Table 5 presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were not sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues  
for Business-type Activities  
For the Fiscal Year Ended June 30, 2022**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program (Expenses)/Revenues</u>
Water	\$ 575,140	\$ 495,653	\$ (79,487)
Garbage	156,492	245,820	89,328
Sewer	414,601	367,334	(47,267)
Street Lights	50,734	29,650	(21,084)
 Total	 <u>\$ 1,196,967</u>	 <u>\$ 1,138,457</u>	 <u>\$ (58,510)</u>

Financial highlights for the City during the fiscal year ended June 30, 2022, include the following:

- The City's total Net Position for all activities increased from \$16,209,905 to \$17,216,404 an increase of \$1,006,499 (6.21%). This increase is attributable to continued expense control by all departments because of uncertain revenue projections. General Fund expenditures were lower than budgeted amounts by \$1,314,666 (34.64 %). General Fund revenues were also better than projected by \$550,402 (20.12%) due to a conservative estimate of budget revenues during budgeting.
- Capital assets added during the year in the amount of \$344,819 include equipment, fire department equipment, improvements to City buildings and facilities, including curb gutter and sidewalk improvements, and a new HVAC system.
- The City's Business-type Activities (Utility Fund) operating expenses exceeded operating revenues by \$58,535. As an Enterprise Fund, the Utility Fund is required to generate operating revenues sufficient to offset operating expenses. Excess revenues year to year are used for maintenance and eventual replacement of older infrastructure. A Preliminary Engineering Report (PER) was completed and a refurbishment plan is underway using the PER.

### **Budgetary Highlights**

Functions represent the legal level of budgetary control. The final amended budget appropriations are greater than the original budget. The main factors of the increase in appropriations were related to receipt of State and Federal grant funds, unanticipated revenues and ending fund balances higher than anticipated.

### **Fund Analysis**

#### **All Governmental Funds**

At the close of the fiscal year ending June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$7,836,736, representing an increase of \$839,738 (12.00%) from the previous fiscal year. The increase across all governmental funds is the result of the following factors:

- Expense control by all departments.
- Increased revenue from higher than projected revenues.

#### **General Fund**

Fund balance at June 30, 2022 totaled \$5,194,928 which is an increase of \$475,126 (10.07%) from the previous fiscal year. The increase is due to lower than budgeted expenses and increase in excepted revenues.

#### **Capital Projects Fund**

Fund balance at June 30, 2022 totaled \$1,672,805 which is an increase of \$340,963 (25.60 %) from the previous year. The increase is due to lower than budgeted expenses.

**Non-major Governmental Funds**

Fund balance at June 30, 2022 totaled \$969,003 which is an increase of \$23,649 (2.50 %) from the previous fiscal year. The following table shows the fund balances that are included in the Non-major Governmental Funds, as of June 30, 2022 and the increase/(decrease) from the previous fiscal year:

<u>Fund</u>	<u>Fund Balance June 30, 2022</u>	<u>Increase/ (Decrease)</u>
Non-Major Governmental Funds:		
Grants Fund	\$ 53,868	\$ 31,795
Open Door Senior Citizens Fund	150,903	(60,408)
Municipal Court Building Fund	6,722	1,002
Administrative Assessment Fund	12,563	336
Park and Recreation Fund	325,406	36,944
Parks and Recreation Fund #2	95,078	7,247
Equestrian Center Fund	103,576	17,761
Debt Service Fund	16,926	(12,100)
Police Forfeiture Fund	109,896	-
Perpetual Cemetery Care Fund	94,065	1,072
<b>Totals</b>	<u>\$ 969,003</u>	<u>\$ 23,649</u>

**Proprietary Funds**

The City's sole Proprietary Fund, the Utility Fund, had a net position of \$6,562,397 as of June 30, 2022. Operating expenses exceeded operating revenues by \$58,535.

**Capital Asset and Long-term Debt Activity**

**Capital Asset Activity**

At June 30, 2022, the City reported \$4,656,494 in capital assets for governmental activities and \$2,557,404 in capital assets for business-type activities. Capital asset additions included equipment, fire department equipment, improvements to City buildings and facilities, including curb gutter and sidewalk improvements, and a new HVAC system.

**Long-term Debt Activity**

Long-term debt outstanding at June 30, 2022, excluding the annual required contribution for other postemployment benefits and the net pension liability, totaled \$111,391, which is entirely for the Senior Center. The other postemployment benefits liability increased by \$13,147 to \$365,597. The City's net pension liability decreased by \$656,282 to \$1,598,340.

Additionally, the City estimates \$146,935 for compensated absences.

For additional information, refer to Notes 6, 7 and 11 in the financial statements.

**Requests for Information**

This financial report is designed to provide a general overview of the financial activity of the City of Carlin to all having an interest in the City of Carlin. Questions concerning any of the information provided in this report or requests of additional financial information should be addressed to the City of Carlin, Attn: City Manager, P.O. Box 787, Carlin, Nevada 89822.

City of Carlin  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 7,425,859	\$ 4,547,178	\$ 11,973,037
Accounts receivable, net	167,179	98,561	265,740
Due from other governments	527,252	-	527,252
Taxes receivable, delinquent	28,254	-	28,254
Prepaid expenses	12,727	5,981	18,708
Restricted cash	1,574,657	-	1,574,657
Capital assets, net of accumulated depreciation	3,818,542	2,479,349	6,297,891
Capital assets, not being depreciated	837,952	78,055	916,007
Total assets	<u>14,392,422</u>	<u>7,209,124</u>	<u>21,601,546</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to other postemployment benefits	12,830	3,909	16,739
Deferred outflows related to pensions	812,917	246,903	1,059,820
Total deferred outflows of resources	<u>825,747</u>	<u>250,812</u>	<u>1,076,559</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>15,218,169</u>	<u>7,459,936</u>	<u>22,678,105</u>
<b>Liabilities</b>			
Accounts payable and other	71,899	26,721	98,620
Accrued salaries and related liabilities	68,646	-	68,646
Due to other governments	8,792	4,874	13,666
Customer meter deposits	-	12,254	12,254
Unearned revenue - grants	1,542,914	-	1,542,914
Noncurrent liabilities portion due or payable within one year			
Compensated absences	41,506	27,882	69,388
Notes payable	7,227	-	7,227
Noncurrent liabilities portion due or payable after one year			
Compensated absences	46,387	31,160	77,547
Notes payable	104,164	-	104,164
Total other postemployment benefits liability	291,992	73,605	365,597
Net pension liability	1,234,617	363,723	1,598,340
Total liabilities	<u>3,418,144</u>	<u>540,219</u>	<u>3,958,363</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	1,146,018	357,320	1,503,338
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>4,564,162</u>	<u>897,539</u>	<u>5,461,701</u>
<b>Net Position</b>			
Net investment in capital assets	4,545,103	2,557,404	7,102,507
Restricted for			
Debt service	12,100	-	12,100
Nonspendable perpetual cemetery care	33,004	-	33,004
Perpetual cemetery care	61,061	-	61,061
Capital projects	90,772	-	90,772
Senior Center	3,872	-	3,872
Judicial fees (NRS 176)	19,285	-	19,285
Unrestricted	5,888,810	4,004,993	9,893,803
Total net position	<u>\$ 10,654,007</u>	<u>\$ 6,562,397</u>	<u>\$ 17,216,404</u>



City of Carlin  
Statement of Activities  
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 777,188	\$ -	\$ -	\$ -	\$ (777,188)	\$ -	\$ (777,188)
Public safety	1,023,175	132,401	-	182,680	(708,094)	-	(708,094)
Judicial	55,233	-	-	-	(55,233)	-	(55,233)
Public works	313,781	90,568	-	-	(223,213)	-	(223,213)
Health and sanitation	115,576	-	1,050	-	(114,526)	-	(114,526)
Culture and recreation	344,868	70,776	149,016	-	(125,076)	-	(125,076)
Interest on long-term debt	5,182	-	-	-	(5,182)	-	(5,182)
<b>Total governmental activities</b>	<b>2,635,003</b>	<b>293,745</b>	<b>150,066</b>	<b>182,680</b>	<b>(2,008,512)</b>	<b>-</b>	<b>(2,008,512)</b>
<b>Business-type Activities</b>							
Water	575,140	495,653	-	-	-	(79,487)	(79,487)
Garbage	156,492	245,820	-	-	-	89,328	89,328
Sewer	414,601	367,309	-	25	-	(47,267)	(47,267)
Street lights	50,734	29,650	-	-	-	(21,084)	(21,084)
<b>Total business-type activities</b>	<b>1,196,967</b>	<b>1,138,432</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>(58,510)</b>	<b>(58,510)</b>
<b>Total primary government</b>	<b>\$ 3,831,970</b>	<b>\$ 1,432,177</b>	<b>\$ 150,066</b>	<b>\$ 182,705</b>	<b>(2,008,512)</b>	<b>(58,510)</b>	<b>(2,067,022)</b>
<b>General Revenues:</b>							
Property taxes					496,904	-	496,904
Room taxes					39,611	-	39,611
Consolidated tax revenues - unrestricted					2,416,629	-	2,416,629
Fuel taxes					51,752	-	51,752
Interest and investment earnings					748	15,126	15,874
Miscellaneous revenue					52,751	-	52,751
<b>Total general revenues</b>					<b>3,058,395</b>	<b>15,126</b>	<b>3,073,521</b>
<b>Change in Net Position</b>					<b>1,049,883</b>	<b>(43,384)</b>	<b>1,006,499</b>
<b>Net Position, Beginning of Year</b>					<b>9,604,124</b>	<b>6,605,781</b>	<b>16,209,905</b>
<b>Net Position, End of Year</b>					<b>\$ 10,654,007</b>	<b>\$ 6,562,397</b>	<b>\$ 17,216,404</b>

City of Carlin  
Balance Sheet – Governmental Funds  
June 30, 2022

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 4,843,070	\$ 1,656,374	\$ 926,415	\$ 7,425,859
Receivables, net				
Accounts	160,274	-	6,905	167,179
Taxes	28,254	-	-	28,254
Due from other governments	483,218	16,431	27,603	527,252
Prepaid expenses	9,236	-	3,491	12,727
Restricted cash	1,529,553	-	45,104	1,574,657
	<u>1,529,553</u>	<u>-</u>	<u>45,104</u>	<u>1,574,657</u>
Total assets	<u>\$ 7,053,605</u>	<u>\$ 1,672,805</u>	<u>\$ 1,009,518</u>	<u>\$ 9,735,928</u>
<b>Liabilities</b>				
Accounts payable	\$ 46,010	\$ -	\$ 25,697	\$ 71,707
Accrued salaries and related liabilities	68,646	-	-	68,646
Bail and fines held	192	-	-	192
Due to other governments	7,335	-	1,457	8,792
Unearned revenue - grants	1,529,553	-	13,361	1,542,914
	<u>1,529,553</u>	<u>-</u>	<u>13,361</u>	<u>1,542,914</u>
Total liabilities	<u>1,651,736</u>	<u>-</u>	<u>40,515</u>	<u>1,692,251</u>
<b>Deferred Inflows of Resources</b>				
Unavailable property taxes	28,254	-	-	28,254
Unavailable infrastructure tax revenue	44,602	-	-	44,602
Unavailable ambulance fees	134,085	-	-	134,085
	<u>134,085</u>	<u>-</u>	<u>-</u>	<u>134,085</u>
Total deferred inflows of resources	<u>206,941</u>	<u>-</u>	<u>-</u>	<u>206,941</u>
<b>Fund Balances</b>				
Nonspendable	9,236	-	36,495	45,731
Restricted for				
Debt service	-	-	12,100	12,100
Perpetual cemetery care	-	-	61,061	61,061
Capital projects	-	90,772	-	90,772
Senior Center	-	-	3,872	3,872
Judicial fees (NRS 176)	-	-	19,285	19,285
Committed for				
Future community development	-	-	73,753	73,753
Recreational activities	-	-	364,492	364,492
Public safety	-	-	109,896	109,896
Assigned				
Subsequent year operations	1,932,882	-	63,550	1,996,432
Other purposes	-	1,582,033	224,499	1,806,532
Unassigned	3,252,810	-	-	3,252,810
	<u>3,252,810</u>	<u>-</u>	<u>-</u>	<u>3,252,810</u>
Total fund balances	<u>5,194,928</u>	<u>1,672,805</u>	<u>969,003</u>	<u>7,836,736</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 7,053,605</u>	<u>\$ 1,672,805</u>	<u>\$ 1,009,518</u>	<u>\$ 9,735,928</u>

City of Carlin  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2022

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

Total fund balances - governmental funds		\$ 7,836,736
<p>The net investment in capital assets is not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the statement of net position.</p>		
Capital assets	\$ 13,208,720	
Less accumulated depreciation	<u>(9,390,178)</u>	3,818,542
Capital assets, not being depreciated		837,952
<p>Unavailable revenue represents amounts that are not available to fund current expenditures, and therefore, are not reported as revenue in the governmental funds.</p>		
		206,941
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability	(1,234,617)	
Notes payable	(111,391)	
Other postemployment benefits	(291,992)	
Compensated absences	<u>(87,893)</u>	(1,725,893)
<p>Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources related to pensions	812,917	
Deferred inflows of resources related to pensions	(1,146,018)	
Deferred outflows of resources related to other postemployment benefits	<u>12,830</u>	<u>(320,271)</u>
Net position of governmental activities		<u>\$ 10,654,007</u>

City of Carlin

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2022

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 447,489	\$ 40,963	\$ 39,611	\$ 528,063
Licenses, permits and fees	90,568	-	-	90,568
Intergovernmental	2,644,355	-	197,242	2,841,597
Charges for services	68,017	-	11,903	79,920
Fines and forfeits	7,254	-	-	7,254
Miscellaneous	28,456	-	75,628	104,084
<b>Total revenues</b>	<b>3,286,139</b>	<b>40,963</b>	<b>324,384</b>	<b>3,651,486</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	797,968	-	1,453	799,421
Public safety	1,044,406	-	-	1,044,406
Judicial	56,323	-	4,091	60,414
Public works	153,090	-	-	153,090
Health and sanitation	87,342	-	-	87,342
Culture and recreation	17,396	-	292,760	310,156
Capital outlay	324,488	-	20,331	344,819
<b>Debt service</b>				
Principal	-	-	6,918	6,918
Interest	-	-	5,182	5,182
<b>Total expenditures</b>	<b>2,481,013</b>	<b>-</b>	<b>330,735</b>	<b>2,811,748</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>805,126</b>	<b>40,963</b>	<b>(6,351)</b>	<b>839,738</b>
<b>Other Financing Source (Uses)</b>				
Transfer in	-	300,000	30,000	330,000
Transfer out	(330,000)	-	-	(330,000)
<b>Total other financing sources (uses)</b>	<b>(330,000)</b>	<b>300,000</b>	<b>30,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>475,126</b>	<b>340,963</b>	<b>23,649</b>	<b>839,738</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,719,802</b>	<b>1,331,842</b>	<b>945,354</b>	<b>6,996,998</b>
<b>Fund Balances, End of Year</b>	<b>\$ 5,194,928</b>	<b>\$ 1,672,805</b>	<b>\$ 969,003</b>	<b>\$ 7,836,736</b>

City of Carlin  
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
 and Changes in Fund Balances to the Statement of Activities  
 Year Ended June 30, 2022

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Amounts reported for governmental activities in the statements of activities are different because:

Net change in fund balances - total governmental funds	\$	839,738
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital outlay to purchase capital assets	\$ 344,819	
Current depreciation expense	<u>(377,843)</u>	(33,024)
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable property taxes	8,452	
Change in unavailable ambulance fees	57,130	
Change in unavailable grant revenue	(32,213)	
Change in unavailable infrastructure tax revenue	<u>31</u>	33,400
<p>Long-term liabilities, include notes payable, that are not due and payable in current period and, therefore, are not reported in the governmental funds.</p>		
Note payable - principal payments		6,918
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Current year change in compensated absences		(13,804)
<p>Governmental funds report City PERS contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense:</p>		
City PERS contributions	155,633	
City pension income	<u>72,784</u>	228,417
<p>The liability for other postemployment benefits is not recorded in the governmental funds, but it is reported in the statement of net position. This is the current year change in the liability, reported as an expense in the statement of activities.</p>		
Other postemployment benefits contributions	12,830	
Other postemployment benefits expense	<u>(24,592)</u>	<u>(11,762)</u>
Change in net position of governmental activities	\$	<u><u>1,049,883</u></u>

City of Carlin  
Statement of Net Position – Proprietary Fund  
June 30, 2022

	Business-Type Activities Enterprise Fund	Utility Fund
Assets		
Current Assets		
Cash	\$ 4,547,178	
Accounts receivable, net	98,561	
Prepaid expenses	5,981	
Total current assets		4,651,720
Noncurrent Assets		
Capital assets, net of accumulated depreciation	2,479,349	
Capital assets, not being depreciated	78,055	
Total noncurrent assets		2,557,404
Total assets		7,209,124
Deferred Outflows of Resources		
Deferred outflows related to other postemployment benefits	3,909	
Deferred outflows related to pensions	246,903	
Total deferred outflows of resources		250,812
Liabilities		
Current Liabilities		
Accounts payable	26,721	
Due to other governments	4,874	
Compensated absences, current portion	27,882	
Customer meter deposits	12,254	
Total current liabilities		71,731
Noncurrent Liabilities		
Compensated absences	31,160	
Net pension liability	363,723	
Total other postemployment benefits liability	73,605	
Total noncurrent liabilities		468,488
Total liabilities		540,219
Deferred Inflows of Resources		
Deferred inflows related to pensions	357,320	
Net Position		
Net investment in capital assets	2,557,404	
Unrestricted	4,004,993	
Total net position		\$ 6,562,397

City of Carlin  
Statement of Revenues, Expenses, and Changes in Net Position –Proprietary Fund  
Year Ended June 30, 2022

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	Business-Type Activities Enterprise Fund Utility Fund
Operating Revenues	
Charges for sales and services	
Water (pledge for revenue bond coverage)	\$ 495,653
Garbage	245,820
Sewer	367,309
Street lights	29,650
	1,138,432
Total operating revenues	1,138,432
Operating Expenses	
Salaries and wages	288,945
Employee benefits	99,978
Services and supplies	657,725
Depreciation	150,319
	1,196,967
Total operating expenses	1,196,967
Operating Income	(58,535)
Nonoperating Revenues	
Interest and penalties earned	15,126
	15,126
Income Before Capital Contributions	(43,409)
Capital Contributions	25
	25
Change in Net Position	(43,384)
Net Position, Beginning of Year	6,605,781
Net Position, End of Year	\$ 6,562,397

City of Carlin  
Statement of Cash Flows – Proprietary Fund  
Year Ended June 30, 2022

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	Business-Type Activities Enterprise Fund	Utility Fund
Operating Activities		
Cash received from customers	\$ 1,147,598	
Cash payments to employees for services and benefits	(445,907)	
Cash payments to suppliers for goods and services	(652,934)	
Net Cash from Operating Activities		48,757
Capital and Related Financing Activities		
Connection fees		25
Investing Activity		
Interest and penalties earned		15,126
Net Change in Cash		63,908
Cash, Beginning of Year		4,483,270
Cash, End of Year		\$ 4,547,178



City of Carlin  
Statement of Cash Flows – Proprietary Fund  
Year Ended June 30, 2022

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	Business-Type Activities Enterprise Fund Utility Fund
Reconciliation of operating income (loss) to net cash from operating activities	
Operating income (loss)	\$ (58,535)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	150,319
Pension expense	(22,148)
City pension contributions	(47,353)
Other postemployment benefits expense	3,586
Changes in	
Accounts receivable	9,166
Prepaid expenses	(488)
Accounts payable	14,680
Accrued expenses	(470)
Total adjustments	107,292
Net Cash from Operating Activities	\$ 48,757

## **Note 1 - Summary of Significant Accounting Policies**

The City of Carlin (the City) was incorporated April 17, 1971 per Chapter 344, Statutes of Nevada 1971. The City is governed by an elected Council of four Councilmen and a Mayor who hold the final decision-making authority and are held primarily accountable for those decisions. The Council is responsible for approving the budget, establishing spending limitations, funding any deficits and borrowing funds and/or issuing bonds to finance City operations and construction.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing these accounting and financial principles.

The accounting and reporting framework and the more significant accounting policies are as follows:

### **Reporting Entity**

The accompanying financial statements include all the activities that comprise the financial reporting entity of the City. The City is legally separate and fiscally independent of other governing bodies. No other governmental organizations are includable within the City's reporting entity.

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

The basic financial statements consist of government-wide statements and the fund financial statements. The government-wide financial statements include a statement of net position and a statement of activities. The government-wide statements report information on all of the activities of the City since the City does not have any fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the consolidated financial position of the City at year-end in separate columns, for both governmental and business-type activities. 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 charges to patrons who use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and revenues not properly included among program revenues are reported instead as general revenues. Those programs or functions with a net cost not supported by program revenues are generally dependent on general-purpose revenues, such as taxes and unrestricted interest earnings, to remain operational. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate fund financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other funds are aggregated into a single column.

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

### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grant revenues have been reported as unearned revenue if the funds have been received prior to meeting such requirements.

### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered “measurable” when in the hands of intermediary collecting agents or governments. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues available if they are collected within 60 days after the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The major revenue sources of the City include consolidated tax revenues, ad valorem (property) taxes, governmental services tax, interest income and various state and federal grants. Ad valorem taxes have been deferred in the governmental funds if they are not available to finance the activities of the current period.

The City’s financial records are organized on the basis of funds, which are independent fiscal and accounting entities with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The City reports the following major governmental funds:

- General Fund is the primary operating fund of the City. It accounts for all financial resources and costs of operations traditionally associated with governments, which are not required to be accounted for in another fund.
- Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital assets.

The City reports the following major proprietary fund:

- Utility Fund accounts for all revenues and expenses used to provide water, sewer, garbage and street light services to the City's residents.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following non-major governmental fund types:

- Special Revenue Funds account for specific financial resources that are legally restricted to expenditure for specific purposes.
- Debt Service Funds account for the servicing of general long-term debt not being financed by proprietary funds.
- Permanent Funds account for financial resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the City's programs.

### **Budgets and Budgetary Accounting**

The City adheres to the Local Government Budget Act incorporated in Section 354 of the Nevada Revised Statutes. The City is required to legally adopt budgets for all funds except fiduciary funds. The budgets are filed as a matter of public record with the City Clerk, the County Clerk and the State Department of Taxation. The City staff use the following procedures to establish, modify, and control the budgetary information that is included in these financial statements.

1. On or before April 15, the City Council files a tentative budget with the Nevada Department of Taxation for all funds for the fiscal year beginning the following July 1. The tentative budget is prepared by fund, function and department and includes proposed expenditures and the means of financing them.
2. Public budget hearings on the tentative budget are held in May.
3. Prior to June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the majority vote of the Council. The final budget must then be forwarded to the Nevada Department of Taxation for final approval. The above dates may be adjusted as necessary during legislative years.

4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year, however encumbrance accounting is not utilized. All appropriations lapse at the end of the fiscal year.
5. The appropriated budget amounts may be transferred between functions, funds, or contingency accounts if the transfer does not increase the total appropriations for fiscal year amounts subject to advisement of the Council at the next subsequent meeting and must be recorded in the minutes of the meeting. Budget augmentations and amendments in excess of original budgetary amounts require prior approval of the City Council following a scheduled and noticed public hearing.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts reflected in the accompanying financial statements recognize budget amendments made during the year in accordance with the above procedures.
7. In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various functions of the governmental funds, except for bond repayments, short-term financing repayment and any other long-term contract expressly authorized by law, and certain other items specified in NRS 354.626. For proprietary funds, the sum of operating and nonoperating expenses may not exceed the sum of budgeted operating and nonoperating expenses.

### **Property Taxes**

Taxes on real property are levied and the lien attached on July 1 (the levy date) of the year for which the taxes are levied. Taxes are due on the third Monday of August; however, they may be paid in quarterly installments payable on the third Monday of August and the first Mondays in October, January and March. Any tax paid more than ten days late is assessed a penalty. In the event of nonpayment, a tax lien is taken on the first Monday in May, and the County Treasurer is authorized to hold the property for two additional years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10% per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer, upon approval of the Board of County Commissioners, obtains a tax deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

The State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of Elko County (i.e., the county, the state, the school district, the city, and any other city, town or special district) to an amount not to exceed \$3.64 per \$100 of assessed valuation of the property being taxed, except in cases of severe financial emergency as defined by NRS 354.705.

Property tax revenue and the related receivable have been recognized for property tax assessments in the fiscal year for which they were levied. All property taxes are collected by Elko County and remitted to the City monthly.

### **Cash**

For purposes of the statement of cash flows, the City considers all time deposits, certificates of deposit, and all highly liquid investments, generally with original maturities of three months or less to be cash equivalents.

Cash balances from most funds are combined, held and invested by City staff. Interest earned on the cash balances is generally recognized in the fund holding the cash.

Debt loan agreements require the City to maintain a debt service reserve for each loan. These amounts are reported as restricted cash.

State statutes authorize deposits in any bank, credit union or savings and loan that are federally insured. The City may invest in the following securities:

- United States bonds and debentures, bills and notes of the United States Treasury, or obligations of the United States or a corporation sponsored by the government maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Negotiable certificates of deposit from commercial banks, insured credit unions or insured savings and loan associations.
- State of Nevada Local Government Pooled Investment Fund.
- Certain securities issued by local governments of the State of Nevada.
- Certain “AAA” rated money market mutual funds that invest in federal securities.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain banker’s acceptances not to exceed 180 days maturities or 20% of the money available for investment.
- Obligations of state and local governments rated A or higher and exempt from gross income for federal income tax purposes.
- Certain corporate or depository institution commercial paper purchased from a registered broker-dealer rated A-1, P-1, or better with maturity of no more than 270 days.

Any securities purchased by or on behalf of the City must remain in the physical possession of an appropriate officer of the City or a trust department of a designated bank (federally insured) after issuing a written acknowledgment.

### **Accounts Receivable**

Accounts receivable are reported net of an allowance of uncollectible accounts, if applicable. No allowance for uncollectible accounts has been established since management does not anticipate any material collection loss with respect to taxes receivable and utility billings receivable. Total accounts receivable in the General Fund of \$517,574 are reported at \$160,274, net of a \$357,300 allowance for uncollectible ambulance billings.

### **Inventories**

Expenditures for consumable supplies and minor equipment purchases are charged against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

**Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure, are recorded in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. These assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value determined at the date of donation. Interest, if applicable, is capitalized on assets acquired with tax-exempt debt for business-type activities. The amount of interest to be capitalized is determined by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities and the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position, with accumulated depreciation reflected in the government-wide and proprietary fund Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15–100 years
Equipment and vehicles	5-25 years
Infrastructure	5-50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures by the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for as capital assets in the Statement of Net Position – Proprietary Funds.

**Compensated Absences**

Employees may accumulate unused vacation time within certain limits. Unused vacation time is paid to the employee after his/her anniversary date. After five years of employment, employees will be paid for sick leave up to 480 hours at one-fourth of the regular rate of pay at separation from service. If employment termination is due to death, any unused sick leave will be paid at the regular rate of pay. Accumulated costs for unused vacation pay and sick leave are recognized currently for those retiring prior to year-end. Remaining costs of unused vacation and sick leave are not recorded in the governmental fund financial statements but are included in the government-wide financial statements. These benefits have typically been paid from the General Fund.

**Pensions**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees’ Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan’s fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refund or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Other Post-Employment Benefits**

In addition to pension benefits (Public Employees Retirement System) described in Note 7 and postemployment healthcare benefits described in Note 11, the City waives monthly utility bills for certain retired employees per the City's Personnel Policy Manual section 5.16. The benefit terminates upon the death of the retiree. The City funds the benefit on a current basis and, as of June 30, 2022, the City had no retirees utilizing the benefit. The City had \$0 associated with the above benefit for the year ended June 30, 2022.

### **Deferred Inflows and Outflows of Resources**

In addition to assets, the Statements of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. This separate statement element represents the consumption of net position/fund balance that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reported deferred outflows of resources related to other postemployment benefits resulting from the City's contributions subsequent to the measurement date of the net other postemployment liability. The City reported deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date of the net pension liability, differences between expected and actual experience, changes in assumptions, and change in the employer's proportion and difference between the employer's contributions and the employer's proportionate contributions in the Statement of Net Position.

In addition to liabilities, the Statements of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reflects deferred inflows of resources which are unavailable revenue reported in the governmental fund balance sheet for delinquent property taxes, and other taxes received beyond 60 days of year end and uncollected ambulance fees under the modified accrual basis of accounting. The City reported deferred inflows of resources related to pensions resulting from differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and change in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions in the Statement of Net Position.

### **Fund Balance/Net Position**

Government-wide and Proprietary Fund Financial Statements:

The government-wide and proprietary fund Statement of Net Position utilizes a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is the net book value of capital assets, less related debt. Related debt is the debt outstanding that relates to the acquisition, construction, or improvement of capital assets.



Governmental Fund Financial Statements:

In the governmental fund financial statements, governmental funds report the following classifications of fund balance:

- **Nonspendable** – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.
- **Committed** – Amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City’s highest level of decision-making authority. Committed amounts may only be established, amended, or rescinded pursuant to Council resolution.
- **Assigned** – Amounts that the City intends to use for a specific purpose, but do not meet the definitions of restricted or committed fund balance. Under the City’s adopted policy, amounts may be assigned by the City Manager or City Clerk under the authorization of the City Council.
- **Unassigned** – Amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund. In accordance with an ordinance enacted by the City of Carlin on June 8, 2011, the City has adopted a policy to maintain a minimum level of unassigned fund balance for the General Fund of not less than 75% of the previous year’s unrestricted general fund expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

**Risk Management**

The City, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters. The City assesses these risks and utilizes risk management provided through the Nevada Public Agency Insurance Pool (POOL) created through an inter-local cooperative agreement by participating Nevada governments.

The City participated in Agency programs designed to reduce risk loss by governments. Members pay an annual premium and specific deductibles, as necessary, to POOL for its general insurance coverage. POOL is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per event and a \$10,000,000 general aggregate per member. POOL obtains independent coverage for insured events in excess of the \$200,000 limit and claims have not exceeded these amounts during the previous three years.

The City also pays premiums based on payroll costs to the Public Agency Compensation Trust (PACT) for workers compensation coverage. PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Comparative Data**

Comparative data shown in the supplementary information sections for the prior year has been extracted from the 2020-2021 financial statements and reclassified where necessary and practical to afford better comparability between years. It has been provided to add comparability but is not considered full disclosure of transactions for 2020-2021. Such information can only be obtained by referring to the audited financial statements for that year.

**Note 2 - Compliance with Nevada Revised Statutes and Nevada Administrative Code**

The City conformed to all significant statutory constraints on its financial administration during the year with the following possible exceptions:

The fund listed below over expended amounts appropriated for various functions and, as such, may not be in accordance with Nevada Revised Statute 354.626:

Fund	Function	Amount Over Expenditure
Parks and Recreation Fund	Culture and recreation	\$ 667

**Note 3 - Cash**

As defined in Note 1, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The City has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below. As of and for the year ended June 30, 2022, the City had no investments, only cash balances.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned. All deposits were collateralized under the Nevada Pooled Collateral Program or insured by the Federal Deposit Insurance Corporation (FDIC).

Restricted cash is related to cash received in advance for a grant in General Fund, debt service requirements in the nonmajor debt service fund, and cash in the nonmajor permanent fund that is required to be left as a minimum reserve.

Cash held by the City as of June 30, 2022 are allocated to the various funds as follows:

Major governmental funds	\$ 6,499,444
Nonmajor governmental funds	926,415
Business-type activities/proprietary fund	4,547,178
Restricted:	
Major governmental funds	1,529,553
Nonmajor governmental funds	<u>45,104</u>
	<u><u>\$ 13,547,694</u></u>

#### Note 4 - Capital Assets

The amounts recorded as capital assets are summarized as follows:

##### Governmental Activities

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, being depreciated				
Buildings	\$ 3,205,827	\$ 99,900	\$ -	\$ 3,305,727
Office equipment	158,020	-	-	158,020
Other equipment	2,333,965	227,591	-	2,561,556
Vehicles	2,263,744	-	-	2,263,744
Infrastructure	<u>4,902,345</u>	<u>17,328</u>	<u>-</u>	<u>4,919,673</u>
Total capital assets, being depreciated	<u>12,863,901</u>	<u>344,819</u>	<u>-</u>	<u>13,208,720</u>
Less accumulated depreciation				
Buildings	(1,136,652)	(78,764)	-	(1,215,416)
Office equipment	(287,707)	(4,284)	-	(291,991)
Other equipment	(1,663,918)	(82,180)	-	(1,746,098)
Vehicles	(1,936,018)	(69,185)	-	(2,005,203)
Infrastructure	<u>(3,988,040)</u>	<u>(143,431)</u>	<u>-</u>	<u>(4,131,471)</u>
Total accumulated depreciation	<u>(9,012,335)</u>	<u>(377,843)</u>	<u>-</u>	<u>(9,390,178)</u>
Total capital assets, being depreciated, net	<u>3,851,566</u>	<u>(33,024)</u>	<u>-</u>	<u>3,818,542</u>
Capital assets, not being depreciated				
Land	820,419	-	-	820,419
Construction in progress	<u>17,533</u>	<u>-</u>	<u>-</u>	<u>17,533</u>
Total capital assets, not being depreciated	<u>837,952</u>	<u>-</u>	<u>-</u>	<u>837,952</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 4,689,518</u></u>	<u><u>\$ (33,024)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,656,494</u></u>

Business-type Activities

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, being depreciated				
Buildings	\$ 319,649	\$ -	\$ -	\$ 319,649
Office equipment	21,526	-	-	21,526
Other equipment	499,947	-	-	499,947
Vehicles	424,545	-	-	424,545
Infrastructure	6,577,544	-	-	6,577,544
Total capital assets, being depreciated	7,843,211	-	-	7,843,211
Less accumulated depreciation				
Buildings	(94,092)	(6,844)	-	(100,936)
Office equipment	(19,987)	(403)	-	(20,390)
Other equipment	(375,774)	(9,478)	-	(385,252)
Vehicles	(424,545)	-	-	(424,545)
Infrastructure	(4,299,145)	(133,594)	-	(4,432,739)
Total accumulated depreciation	(5,213,543)	(150,319)	-	(5,363,862)
Total capital assets, being depreciated, net	2,629,668	(150,319)	-	2,479,349
Capital assets, not being depreciated				
Land	78,055	-	-	78,055
Business-type Activities Capital Assets, Net	\$ 2,707,723	\$ (150,319)	\$ -	\$ 2,557,404

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General government	\$ 25,558
Public safety	94,585
Public works	169,718
Health and sanitation	36,255
Culture and recreation	51,727
Total Depreciation Expense – Governmental Activities	\$ 377,843
Business-type Activities	
Water	\$ 45,975
Sewer	104,344
Total Depreciation Expense – Business-type Activities	\$ 150,319

**Note 5 - Cooperative Agreement**

On January 9, 2002 the City of Carlin, City of Elko, and Elko County entered into a cooperative agreement to provide financial resources for a water-line extension project. The water line initially served the University of Nevada-Reno Fire Science Academy that was deemed beneficial to the economy of the three governmental entities. The water line is the property of the City of Carlin. The project was funded by a federal grant obtained by the City of Carlin. This grant required matching funds of twenty-five percent. Therefore, a loan was obtained from the U.S. Department of Agriculture, Rural Development Agency. The cooperative agreement provides that the City of Elko and Elko County will each reimburse the City of Carlin one-third of the annual loan payments the City of Carlin will be obligated to pay to the USDA. The loan carries a maximum interest rate of 5% per year, payable over a period of forty years in annual payments of \$20,398. The City of Elko and Elko County have each agreed to pay to the City of Carlin the maximum sum of \$6,800 per year until the loan is paid in full or for a maximum of forty years. The loan was paid in full during the year ended June 30, 2018.

The City of Carlin has enacted an ordinance providing for a water extension connection fee. This fee will be collected by the City of Carlin as a surcharge fee from every water user connecting to City water within the “UNR Fire Science Academy Water Extension Area” for a period of forty years after the date the extension line is connected to the City of Carlin’s water system. The City of Carlin agrees the proceeds collected from this water extension connection fee will be used to reimburse equally the City of Elko and Elko County for the payments made by them prior to the collection of any connection extension fees. Any excess funds collected will be used to reduce debt incurred for the project.

The City of Carlin has received pledged revenues totaling \$86,826 since the cooperative agreement was put into place. Pledged revenues are a surcharge fee from every water user connecting to City water within the “UNR Fire Science Academy Water Extension Area”. There were no connections to this section of the City’s water system during the year ended June 30, 2022.

**Note 6 - Long-Term Liabilities**

Long-term debt as of June 30, 2022, consisted of the following:

Governmental Activities

Direct Borrowing:

Note payable United States Department of Agriculture, Rural Development,  
\$12,100 annually including interest at 4.38%, maturing June 28, 2034. The note  
is for construction of a senior citizens facility and is secured by the facility

\$ 111,391

The governmental activities notes will be repaid by the Debt Service Fund. The maturity of the notes payable for the years after June 30, 2022, based upon present arrangements, is as follows:

Fiscal Year Ended June 30,	Government-Type Activities	
	U.S. Department of Agriculture Senior Citizens Facility	
	Principal	Interest
2023	\$ 7,227	\$ 4,873
2024	7,544	4,556
2025	7,874	4,226
2026	8,218	3,882
2027	8,578	3,522
2028-2032	48,857	11,643
2033-2035	23,093	1,556
	<u>\$ 111,391</u>	<u>\$ 34,258</u>

*Changes in Long-Term Liabilities*

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental activities					
Compensated absences	\$ 74,089	\$ 69,318	\$ 55,514	\$ 87,893	\$ 41,506
Notes payable	118,309	-	6,918	111,391	7,227
	<u>\$ 192,398</u>	<u>\$ 69,318</u>	<u>\$ 62,432</u>	<u>\$ 199,284</u>	<u>\$ 48,733</u>
Business-type activities					
Compensated absences	<u>\$ 50,111</u>	<u>\$ 27,369</u>	<u>\$ 18,438</u>	<u>\$ 59,042</u>	<u>\$ 27,882</u>

The City was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2022.

**Note 7 - Defined Benefit Pension Plan**

**Plan Description**

The City of Carlin contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

### **Benefits Provided**

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.50% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor multiplier for all years of service. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

### **Vesting**

Regular members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service or at age 55 with 30 years of service or at any age with 33 1/3 years of service.

Police/Fire members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Police/Fire members entering the PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of services, at age 50 with 20 years of service, and at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

**Contributions**

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer - Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member’s account. If EPC was selected, the member cannot covert to the Employee/Employer Contribution plan.

PERS’ basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee’s working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Actuarial Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2022, the Statutory Employer/Employee matching rate for Regular members was 15.50%; the rate was 22.75% for Police/Fire. For the fiscal year ended June 30, 2021, the Statutory Employer/Employee matching rate for Regular members was 15.25%; the rate was 22.00% for Police/Fire. The Employer Pay Contribution (EPC) rate was 29.75% for Regular members for the year ending June 30, 2022; the rate was 44.00% for Police/Fire. The EPC rate was 29.25% for Regular members for the year ending June 30, 2022; the rate was 42.50% for Police/Fire.

The City’s contributions were \$197,211 for the year ended June 30, 2022.

**PERS Investment Policy**

PERS’ policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%



As of June 30, 2021, PERS' long-term inflation assumption was 2.50%.

### Net Pension Liability

At June 30, 2022, the City reported a liability of \$1,598,340 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers. At June 30, 2021, the City's proportion was 0.01753 percent, which is an increase of 0.00134 from its proportion measured as of June 30, 2020 of 0.01619 percent.

### Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the City as of June 30, 2022, calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability	\$ 3,182,244	\$ 1,598,340	\$ 291,749

### Pension Plan Fiduciary Net Position and Additional Information

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

### Actuarial Assumptions

The City's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll Growth	3.50%
Investment rate of return/ discount rate	7.25%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Consumer price index	2.50%
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Mortality rates for healthy regular members and contingent beneficiaries were based on Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females. For ages before age 40, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables. For ages 40 through 50, the rates were smoothed between the above tables. Mortality rates for healthy police/fire members were based on Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 5% for females. For ages before age 35, mortality rates are based on Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table. For ages 35 through 45, the rates were smoothed between the above tables.

Mortality rates for disabled regular members were based on Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females. Mortality rates for disabled police/fire members were based on Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 30% for males and 10% for females.

Mortality rates for current beneficiaries were based on Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15% for males and 30% for females. For ages before age 35, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. For ages 35 through 45, the rates were smoothed between the above tables.

Mortality rates for pre-retirement regular members were based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. Mortality rates for pre-retirement police/fire members were based on Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table.

The mortality tables were projected generationally with the two-dimensional mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021, which decreased from 7.50 as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except the projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

### Change in Assumptions

The PERS plan reflects the following change in assumptions from June 30, 2020 to June 30, 2021:

- The inflation rate decreased from 2.75% to 2.50%.
- Payroll growth decreased from 5.00% to 3.50%.
- Investment rate of return/discount rate decreased from 7.50% to 7.25%.
- Projected salary increases declined from 4.25% to 9.15% to 4.20% to 9.10% for Regular members and increased from 4.55% to 13.90% to 4.60% to 14.50% for Police/Fire members.
- The consumer price index decreased from 2.75% to 2.50%.
- Mortality rates were changed from Headcount-Weighted RP-2014 Tables to Pub-2010 Mortality Tables.
- Future mortality improvement was changed from 6 years to the Generational Projection Scale MP-2020.

### Pension Income, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension income of \$94,935. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 177,048	\$ 11,249
Net difference between projected and actual earnings on pension plan investments	-	1,304,194
Changes in assumptions	530,676	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	154,885	187,895
City contributions subsequent to the measurement date	197,211	-
	\$ 1,059,820	\$ 1,503,338

The \$197,211 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 6.14 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions subsequent to the measurement date, will be recognized in pension expense as follows:

Year Ending June 30,		
2023	\$	(238,799)
2024		(221,613)
2025		(176,307)
2026		(173,862)
2027		148,931
Thereafter		20,921

**Additional Information**

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Annual Comprehensive Financial Report (ACFR) available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

**Note 8 - Fund Equity**

As defined in Note 1, fund equity may be reported in various classifications. Specific restrictions of fund balance/net position accounts are summarized below:

Unrestricted/Unassigned – Amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose.

Nonspendable for Perpetual Cemetery Care – In accordance with an ordinance enacted by the City on December 9, 1970, a minimum reserve of \$33,004 will be left in the Perpetual Cemetery Care Fund. The earnings can be withdrawn and deposited to the General Fund to be used for perpetual cemetery care.

Restricted for Debt Service – In accordance with the agreement from the USDA Rural Development for the loan for the Carlin Senior Center, the City is required to set-aside fund balance/net position of one-tenth of the annual payment amount for each loan until one full payment has been set-aside. The restricted debt service requirement for the year ended June 30, 2022 for the Carlin Senior Center in the Debt Service Fund is currently \$12,100.

Restricted for Perpetual Cemetery Care – In accordance with an ordinance enacted by the City on December 9, 1970, the earnings on the minimum reserve in the Perpetual Cemetery Care Fund are restricted for perpetual cemetery care.

Restricted for the Senior Center – In accordance with the donor-imposed use that the amount be used for the Senior Center.

Restricted for Judicial Fees – In accordance with Nevada Revised Statutes 176.059 and 176.0611, the administrative assessments collected under these statutes are restricted for the use outlined in each statute. The administrative assessment collected in accordance with Nevada Revised Statute 176.059 is restricted for the use of the municipal court. The administrative assessment collected in accordance with Nevada Revised Statute 176.0611 is restricted for the acquisition, construction and improvement of court facilities, acquisition of advanced technology for use in court facilities or for the payment of debt service on any bonds issued for the acquisition of land or facilities.

Committed for Future Community Development – In accordance with a revised ordinance enacted by the City on December 11, 2008, this represents the amount the City Council has specifically designated for future projects that will enhance the community.

Committed for Recreational Activities – In accordance with the Carlin City Code, this represents the amount the City Council has specifically designated for recreational purposes.

Committed for Public Safety – In accordance with the Carlin City Code, this represents the amount the City Council has specifically committed for public safety purposes.

Assigned for Subsequent Year Operations – This is the amount of the City’s current year ending fund balance that the City intends to use to meet the next years’ operating expenditures.

Assigned for Other Purposes – These are amount that the City intends to use in future periods for the purpose of the fund.

Unassigned – The residual classification for the General Fund that is available to spend.

The City Council has formally designated, per City Code, a portion of user charges to be set aside for major capital improvements, such as water wells and sewer improvements. These amounts do not meet the definition of restricted net position and are not included in the Statement of Net Position.

	Balance July 1, 2021	Net Change	Balance June 30, 2022
Water system	\$ 312,015	\$ 25	\$ 312,040
Water capital improvement	57,005	-	57,005
Sewer capital improvement	232,396	-	232,396

**Note 9 - Interfund Items**

Interfund transfers are shown as other financing sources or uses in all governmental funds. Transfers between funds during the year ended June 30, 2022 are as follows:

	Transfer In	Transfer Out	Net
General Fund	\$ -	\$ (330,000)	\$ (330,000)
Capital Projects Fund	300,000	-	300,000
Nonmajor Governmental Funds			
Open Door Senior Citizens Center Fund	30,000	-	30,000
	\$ 330,000	\$ (330,000)	\$ -

The General Fund subsidized the Open Door Senior Citizens Center Fund whose funding sources were not large enough to support the entire cost of their programs in accordance with budgetary authority. The General Fund transferred monies to the Capital Projects Fund to fund future capital projects.

**Note 10 - Enterprise Fund Revenue-Supported Debt Information**

The City of Carlin maintains an Enterprise Fund that provides water, sewer, streetlight and garbage services. Selected additional revenue-supported debt information is provided for those enterprise activities with outstanding debt obligations. Information for the year ended June 30, 2022 is provided for the water service as follows:

*Condensed Statement of Net Position*

Assets	
Current assets	\$ 1,429,793
Capital assets, net of accumulated depreciation	689,223
Total assets	<u>2,119,016</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	170,912
Deferred inflows of resources related to other postemployment benefits	2,804
Total deferred inflows of resources	<u>173,716</u>
Liabilities	
Current liabilities	33,984
Noncurrent liabilities	215,801
Total liabilities	<u>249,785</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	<u>262,497</u>
Net Position	
Net investment in capital assets	689,223
Unrestricted	1,091,227
Total net position	<u>\$ 1,780,450</u>

*Condensed Statement of Activities*

Operating Revenues	
Charges for services	<u>\$ 495,653</u>
Operating Expenses	
Depreciation	45,975
Other operating expenses	529,165
Total operating expenses	<u>575,140</u>
Operating Income	<u>(79,487)</u>
Nonoperating Revenue (Expense)	
Miscellaneous income	<u>6,586</u>
Change in Net Position	(72,901)
Net Position, Beginning of Year	<u>1,853,351</u>
Net Position, End of Year	<u>\$ 1,780,450</u>

*Condensed Statement of Cash Flows*

Net cash from (used for)	
Operating activities	\$ (60,647)
Investing activities	<u>6,586</u>
Net Increase in Cash	(54,061)
Cash, Beginning of Year	<u>1,440,942</u>
Cash, End of Year	<u>\$ 1,386,881</u>

### **Note 11 - Postemployment Healthcare Plan**

The City provides other postemployment benefits (OPEB) for eligible retired employees through either participation in the City's health insurance program or the Nevada Public Employees' Benefits Plan (PEBP) under NRS 287.023.

Plan Descriptions – The City's defined benefit OPEB plan, City of Carlin Employee Health Benefits Plan (CCEHBP), provides OPEB for all eligible employees on retirement from the City. Additionally, the City contributes to the defined OPEB plan, Public Employees' Benefits Plan (PEBP).

CCEHBP is a single employer defined benefit OPEB plan administered by the City. In accordance with Nevada Revised Statute 287.010, the CCEHBP was adopted to provide postemployment benefits to full-time employees on retirement. Eligibility requirements, benefit levels, employee contributions, and employer contributions are governed by the City and can only be amended by the City. The City's health insurance plan medical premiums paid based on age and, as such, are not expected to result in an implicit subsidy liability for the City if retirees elect to continue the coverage. Therefore, there is no liability for CCEHBP as of June 30, 2022.

PEBP is a single employer defined benefit OPEB plan administered by a nine-member governing board. Nevada Revised Statute 287.023 allows certain retired employees of governmental entities within the State of Nevada to join the State's Public Employee Benefits Program. Nevada Revised Statute 287.023 sunsetted the option to join PEBP for City employees who retired from the City after September 1, 2008. Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75; no separate financial reports are issued.

Benefits Provided – CCEHBP provides medical, vision, dental and life insurance for eligible retirees and their dependents. Employees retiring from the City under PERS are allowed to continue participation in the City's group health insurance program (medical, dental, vision and life insurance). Retirees are responsible for the payment of their premiums, as well as premium for eligible dependents.

PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The City is required to provide a subsidy for their retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depend on the date of retirement and years of PERS service former employees earned in total and while working for the City. The subsidy ranges from a minimum of \$3 to a maximum of \$925 per month. Subsidies for retiree premiums participating in the PEBP are paid directly to the State when due. The City's obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former City employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the City on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the City's expense.



Employee Covered by Benefit Terms – At June 30, 2021 the following employees were covered by the benefit terms:

	PEBP
Inactive employees or beneficiaries currently receiving benefits	10
	10

Total OPEB Liability – The City’s total OPEB liability of \$365,597 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

	PEBP
Total OPEB Liability	\$ 365,597

Assumptions and Other Inputs – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs for PEBP, applied to all periods included in the measurement, unless otherwise specified:

	CCEHBP	PEBP
Actuary funding method	N/A	Entry age normal, closed group, level percent of pay
General inflation	N/A	2.50%
Salary increases	N/A	N/A
Assumed wage inflation	N/A	N/A
Discount rate	N/A	2.18%
Health care trend rates	N/A	5.80% for 2022, decreasing to an ultimate rate of 4.00% by 2076
Retirees' share of benefit - related costs	N/A	0% to 100% of premium amounts based on years of service

The discount rate for PEBP was based on the S & P General Obligation Municipal Bond 20 Year High Grade Index.

For the PEBP Plan, mortality rates for regular members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table set forward one year. Adjustments for mortality improvements were based on applying the MacLeod Watts Scale 2020 on a generational basis from 2018 forward, based on data from the Society of Actuaries Mortality Improvement Scale MP-2020 Report and the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds.

Changes in the Total OPEB Liability

	PEBP
Balance at June 30, 2021	\$ 352,450
Changes for the year	
Interest	9,123
Changes in assumptions or other inputs	22,966
Benefit payments	(18,942)
Net Changes	13,147
Balance at June 30, 2022	\$ 365,597

Changes in Assumptions – PEBP changes in assumptions and other inputs reflect a change in discount rate from 2.66% to 2.18%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City’s Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
PEBP OPEB Liability	\$ 422,623	\$ 365,597	\$ 320,476

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage lower (4.8%) or 1-percentage-point higher (7.8%) than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
PEBP OPEB Liability	\$ 323,702	\$ 365,597	\$ 417,314

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the City recognized OPEB expense (negative OPEB expense) of (\$18,942):

PEBP	<u><u>\$ 18,942</u></u>
------	-------------------------

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	<u><u>\$ 16,739</u></u>	<u><u>\$ -</u></u>

The \$16,739 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023.

**Note 12 - Commitments and Contingent Liabilities**

On September 28, 2018, the City entered into a development agreement with a third party to construct and operate a grocery store in the City. The agreement requires the City to make annual payments of \$10,000 for the next five years to the owner of the grocery store as long as the grocery store continues to operate during this time.

**Note 13 - Subsequent Events**

On July 13, 2022, the City Council awarded a bid for the Sewer Cleaning and Video Inspection Project for a total of \$82,140.

On September 28, 2022, the City Council awarded a bid for the Carlin Fire Station Project for a total of \$609,000.



Required Supplementary Information  
June 30, 2022

City of Carlin

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Final Budget Variance	2021
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 454,570	\$ 454,570	\$ 447,489	\$ (7,081)	\$ 437,505
Licenses, permits and fees					
Franchise fees	12,000	12,000	12,912	912	12,117
Business licenses	15,000	15,000	21,851	6,851	18,393
Liquor licenses	5,000	5,000	4,605	(395)	4,230
Local gaming licenses	8,000	8,000	6,480	(1,520)	7,200
Animal licenses	2,000	2,000	3,760	1,760	5,080
Building permits	10,000	10,000	38,645	28,645	27,429
Other permits and fees	1,000	1,000	2,315	1,315	1,516
	<u>53,000</u>	<u>53,000</u>	<u>90,568</u>	<u>37,568</u>	<u>75,965</u>
Intergovernmental					
Consolidated tax revenues	1,950,000	1,950,000	2,372,027	422,027	2,236,331
Motor vehicle fuel tax	50,000	50,000	51,752	1,752	51,388
Share of county gaming license	8,000	8,000	9,338	1,338	8,910
Infrastructure tax	-	-	44,571	44,571	44,836
Federal grants	-	166,667	166,667	-	415,828
	<u>2,008,000</u>	<u>2,174,667</u>	<u>2,644,355</u>	<u>469,688</u>	<u>2,757,293</u>
Charges for services					
Ambulance charges	20,000	20,000	67,501	47,501	58,731
Facility use fees	-	-	516	516	5
	<u>20,000</u>	<u>20,000</u>	<u>68,017</u>	<u>48,017</u>	<u>58,736</u>
Fines and forfeits					
Court fines and fees	12,000	12,000	6,294	(5,706)	12,437
Animal fines and fees	3,000	3,000	960	(2,040)	680
	<u>15,000</u>	<u>15,000</u>	<u>7,254</u>	<u>(7,746)</u>	<u>13,117</u>
Miscellaneous					
Interest income	3,000	3,000	726	(2,274)	1,040
Other income	5,000	5,000	14,755	9,755	38,368
Sales and rentals	500	500	1,373	873	305
Leases and contracts	10,000	10,000	11,602	1,602	20,637
	<u>18,500</u>	<u>18,500</u>	<u>28,456</u>	<u>9,956</u>	<u>60,350</u>
Total revenues	<u>2,569,070</u>	<u>2,735,737</u>	<u>3,286,139</u>	<u>550,402</u>	<u>3,402,966</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Final Budget Variance	2021
	Original	Final			
Expenditures					
Current					
General government					
Finance administration					
Salaries and wages	\$ 164,016	\$ 164,016	\$ 138,658	\$ 25,358	\$ 159,249
Employee benefits	93,053	93,053	79,267	13,786	90,467
Services and supplies	21,850	21,850	14,007	7,843	13,557
Capital outlay	46,400	46,400	-	46,400	-
	<u>325,319</u>	<u>325,319</u>	<u>231,932</u>	<u>93,387</u>	<u>263,273</u>
Legislative					
Salaries and wages	14,500	14,500	13,020	1,480	13,020
Employee benefits	7,000	7,000	4,629	2,371	4,567
Services and supplies	6,500	6,500	1,954	4,546	1,140
Capital outlay	-	-	-	-	2,474
	<u>28,000</u>	<u>28,000</u>	<u>19,603</u>	<u>8,397</u>	<u>21,201</u>
Other					
Services and supplies	847,600	847,600	449,027	398,573	460,082
Capital outlay	-	-	99,900	(99,900)	-
	<u>847,600</u>	<u>847,600</u>	<u>548,927</u>	<u>298,673</u>	<u>460,082</u>
City manager					
Salaries and wages	72,881	72,881	75,129	(2,248)	67,832
Employee benefits	31,500	31,500	18,753	12,747	14,187
Services and supplies	3,500	3,500	3,524	(24)	3,094
	<u>107,881</u>	<u>107,881</u>	<u>97,406</u>	<u>10,475</u>	<u>85,113</u>
Total general government	<u>1,308,800</u>	<u>1,308,800</u>	<u>897,868</u>	<u>410,932</u>	<u>829,669</u>
Public safety					
Police					
Salaries and wages	415,000	415,000	399,360	15,640	362,017
Employee benefits	285,000	285,000	231,280	53,720	215,242
Services and supplies	138,500	138,500	122,664	15,836	134,571
Capital outlay	58,000	58,000	-	58,000	45,464
	<u>896,500</u>	<u>896,500</u>	<u>753,304</u>	<u>143,196</u>	<u>757,294</u>
Animal control					
Salaries	36,000	36,000	38,253	(2,253)	36,167
Employee benefits	26,000	26,000	22,111	3,889	22,791
Services and supplies	3,410	3,410	2,078	1,332	1,660
Capital outlay	9,000	9,000	7,764	1,236	-
	<u>74,410</u>	<u>74,410</u>	<u>70,206</u>	<u>4,204</u>	<u>60,618</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Final Budget Variance	2021
	Original	Final			
Fire and ambulance					
Salaries	\$ 60,000	\$ 60,000	\$ 55,002	\$ 4,998	\$ 48,010
Employee benefits	43,000	43,000	37,697	5,303	30,270
Services and supplies	119,500	119,500	135,961	(16,461)	91,984
Capital outlay	35,500	202,167	194,144	8,023	8,800
	<u>258,000</u>	<u>424,667</u>	<u>422,804</u>	<u>1,863</u>	<u>179,064</u>
Total public safety	<u>1,228,910</u>	<u>1,395,577</u>	<u>1,246,314</u>	<u>149,263</u>	<u>996,976</u>
Judicial					
Municipal court					
Salaries and wages	35,115	35,115	37,527	(2,412)	23,596
Employee benefits	15,425	15,425	15,627	(202)	8,073
Services and supplies	6,100	6,100	3,169	2,931	3,148
Capital outlay	5,000	5,000	-	5,000	1,702
Total judicial	<u>61,640</u>	<u>61,640</u>	<u>56,323</u>	<u>5,317</u>	<u>36,519</u>
Public works					
Highways and streets					
Salaries and wages	48,799	48,799	46,538	2,261	44,993
Employee benefits	35,480	35,480	31,841	3,639	29,839
Services and supplies	183,500	183,500	74,711	108,789	65,321
Capital outlay	650,000	650,000	19,080	630,920	38,425
Total public works	<u>917,779</u>	<u>917,779</u>	<u>172,170</u>	<u>745,609</u>	<u>178,578</u>
Health and sanitation					
Public health administration					
Services and supplies	21,000	21,000	5,898	15,102	-
Cemetery					
Salaries and wages	40,283	40,283	46,127	(5,844)	37,482
Employee benefits	21,600	21,600	23,463	(1,863)	19,988
Services and supplies	8,000	8,000	11,854	(3,854)	5,370
	<u>69,883</u>	<u>69,883</u>	<u>81,444</u>	<u>(11,561)</u>	<u>62,840</u>
Total health and sanitation	<u>90,883</u>	<u>90,883</u>	<u>87,342</u>	<u>3,541</u>	<u>62,840</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Final Budget Variance	2021
	Original	Final			
Culture and recreation					
Parks					
Services and supplies	\$ 18,000	\$ 18,000	\$ 14,345	\$ 3,655	\$ 12,362
Capital outlay	-	-	3,600	(3,600)	-
	<u>18,000</u>	<u>18,000</u>	<u>17,945</u>	<u>55</u>	<u>12,362</u>
Library					
Services and supplies	3,000	3,000	3,051	(51)	3,016
	<u>3,000</u>	<u>3,000</u>	<u>3,051</u>	<u>(51)</u>	<u>3,016</u>
Total culture and recreation	<u>21,000</u>	<u>21,000</u>	<u>20,996</u>	<u>4</u>	<u>15,378</u>
Total expenditures	<u>3,629,012</u>	<u>3,795,679</u>	<u>2,481,013</u>	<u>1,314,666</u>	<u>2,119,960</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,059,942)</u>	<u>(1,059,942)</u>	<u>805,126</u>	<u>1,865,068</u>	<u>1,283,006</u>
Other Financing Sources (Uses)					
Transfers out	(330,000)	(330,000)	(330,000)	-	(2,370,000)
Contingency	(70,000)	(70,000)	-	70,000	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(330,000)</u>	<u>70,000</u>	<u>(2,370,000)</u>
Net Change in Fund Balance	<u>(1,459,942)</u>	<u>(1,459,942)</u>	<u>475,126</u>	<u>1,935,068</u>	<u>(1,086,994)</u>
Fund Balance, Beginning of Year	<u>2,694,268</u>	<u>2,694,268</u>	<u>4,719,802</u>	<u>2,025,534</u>	<u>5,806,796</u>
Fund Balance, End of Year	<u>\$ 1,234,326</u>	<u>\$ 1,234,326</u>	<u>\$ 5,194,928</u>	<u>\$ 3,960,602</u>	<u>\$ 4,719,802</u>



Schedule of Changes in the City's Total OPEB Liability and Related Ratios – City of Carlin Employee Health Benefit Plan (CCEHBP)  
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 18,849
Interest	-	-	-	-	3,106
Changes in benefit terms	-	-	-	(114,727)	-
Changes of assumptions or other inputs	-	-	-	-	(3,629)
Benefit payments	-	-	-	-	(1,282)
Net Change in Total OPEB Liability	-	-	-	(114,727)	17,044
Total OPEB Liability, Beginning of Year	-	-	-	-	97,683
Total OPEB Liability, End of Year	\$ -	\$ -	\$ -	\$ (114,727)	\$ 114,727
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ 897,280
Total OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	12.79%

## Notes to Schedule:

Changes of Assumptions: In 2019, the City changed their health insurance plan during the year to medical premiums paid based on age and, as such, are not expected to result in an implicit subsidy liability for the City if retirees elect to continue the coverage. The result of this change in the health insurance plan is that there is no liability for CCEHBP as of June 30, 2019.

The City adopted GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Schedule of Changes in the City's Total OPEB Liability and Related Ratios – State of Nevada Public Employees'  
Benefit Plan (PEBP)  
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB Liability					
Interest	\$ 9,123	\$ 9,770	\$ 10,413	\$ 10,413	\$ 9,634
Difference between expected and actual experience	-	(3,727)	-	9,443	-
Changes of assumptions or other inputs	22,966	6,183	7,989	13,631	(20,789)
Benefit payments	(18,942)	(18,947)	(17,314)	(16,169)	(15,085)
Net Change in Total OPEB Liability	13,147	(6,721)	1,088	17,318	(26,240)
Total OPEB Liability, Beginning of Year	352,450	359,171	358,083	340,765	367,005
Total OPEB Liability, End of Year	<u>\$ 365,597</u>	<u>\$ 352,450</u>	<u>\$ 359,171</u>	<u>\$ 358,083</u>	<u>\$ 340,765</u>
Covered Employee Payroll	N/A - Retirees	N/A - Retirees	N/A - Retirees	N/A - Retirees	N/A - Retirees
Total OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

## Notes to Schedule:

Changes of Assumptions: In 2022, the discount rate changed from 2.66% to 2.18%.

In 2021, the discount rate changed from 2.79% to 2.66%.

In 2020, the discount rate changed from 2.98% to 2.79%.

In 2019, the changes of assumptions and other inputs reflected updated mortality assumptions and change in the discount rate from 3.13% to 2.98%.

The City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the City will present information only for those years for which information is available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

City of Carlin  
 Schedule of City's Share of Net Pension Liability  
 Public Employees' Retirement System of Nevada (PERS)  
 Last Ten Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
City's portion of the net pension liability	0.01753%	0.01619%	0.01641%	0.01653%	0.01944%	0.01992%	0.02078%	0.02057%
City's proportionate share of the net pension liability	\$ 1,598,340	\$ 2,254,622	\$ 2,237,855	\$ 2,254,999	\$ 2,586,083	\$ 2,680,474	\$ 2,381,517	\$ 2,143,875
City's covered payroll	\$ 1,118,516	\$ 1,100,523	\$ 1,033,736	\$ 1,063,064	\$ 1,125,719	\$ 1,013,674	\$ 1,141,555	\$ 1,061,682
City's proportionate share of the pension liability as a percentage of its covered payroll	142.90%	204.87%	216.48%	212.12%	229.73%	264.43%	208.62%	201.93%
Plan fiduciary net position as a percentage of the total pension liability	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	76.30%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The following table presents significant assumption changes:

	2021	2020 through 2017	2016 through 2014
Inflation rate	2.50%	2.75%	3.50%
Payroll growth	3.50%	5.00%	5.00%
Investment rate of return	7.25%	7.50%	8.00%
Productivity pay increase	0.50%	0.50%	0.75%
Projected salary increases			
Regular**	4.20% to 9.10%	4.25% to 9.15%	4.60% to 9.75%
Police/Fire**	4.60% to 14.50%	4.55% to 13.90%	5.25% to 14.50%
Consumer price index	2.50%	2.75%	3.50%
Mortality rates			
Healthy***	Pub-2010 General and Safety Healthy Retiree and Employee	Headcount-Weighted RP-2014 Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	Pub-2010 Non-Safety and Safety Disabled Retiree Amount-Weighted	Headcount-Weighted RP-2014 Disabled	RP-2000 Disabled Retiree Mortality Table
Current beneficiaries***	Pub-2010 Contingent Survivor and General Employee	Headcount-Weighted RP-2014 Healthy	N/A
Pre-retirement***	Pub-2010 General and Safety Employee	Headcount-Weighted RP-2014 Employee	N/A
Future mortality improvement	Generational Projection Scale MP-2020	6 years	N/A

\*\* Depending on service. Rates include inflation and productivity increases.

\*\*\* Amount-Weighted Above-Median.

City of Carlin  
 Schedule of City's Contributions  
 Public Employees' Retirement System of Nevada (PERS)  
 Last Ten Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 197,211	\$ 177,674	\$ 172,414	\$ 157,254	\$ 161,000	\$ 174,622	\$ 168,881	\$ 160,391
Contributions in relation to the statutorily required contribution**	\$ 197,211	\$ 177,674	\$ 172,414	\$ 157,254	\$ 161,000	\$ 174,622	\$ 168,881	\$ 160,391
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$1,170,649	\$1,118,516	\$1,100,523	\$1,033,736	\$1,063,064	\$1,125,719	\$1,013,684	\$1,141,555
Contributions as a percentage of covered payroll	16.85%	15.88%	15.67%	15.21%	15.14%	15.51%	16.66%	14.05%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

\*\* All contributions shown reflect employer-paid contributions only. Member contributions are excluded.



Supplementary Information  
June 30, 2022

## City of Carlin

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts		Actual	Final Budget Variance	2021
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 20,000	\$ 20,000	\$ 40,963	\$ 20,963	\$ 39,888
Expenditures					
Current					
General government					
Finance administration					
Capital outlay	300,000	300,000	-	300,000	-
Public safety					
Fire and ambulance					
Capital outlay	-	-	-	-	17,534
Total expenditures	300,000	300,000	-	300,000	17,534
Excess (Deficiency) of Revenues over (under) Expenditures	(280,000)	(280,000)	40,963	320,963	22,354
Other Financing (Uses)					
Transfers in	300,000	300,000	300,000	-	300,000
Net Change in Fund Balance	20,000	20,000	340,963	320,963	322,354
Fund Balance, Beginning of Year	1,029,488	1,029,488	1,331,842	302,354	1,009,488
Fund Balance, End of Year	\$ 1,049,488	\$ 1,049,488	\$ 1,672,805	\$ 623,317	\$ 1,331,842

City of Carlin  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue Funds									Permanent Fund	Total
	Grants Fund	Open Door Senior Citizens Center Fund	Parks and Recreation Fund	Municipal Court Building Fund	Administrative Assessment Fund	Parks and Recreation Fund #2	Equestrian Center Fund	Police Forfeiture	Debt Service Fund	Perpetual Cemetery Care Fund	
<b>Assets</b>											
Cash	\$ 67,229	\$ 122,875	\$ 324,246	\$ 6,657	\$ 13,045	\$ 95,078	\$ 109,402	\$ 109,896	\$ 16,926	\$ 61,061	\$ 926,415
Accounts receivable, net	-	-	1,684	65	451	-	4,705	-	-	-	6,905
Due from other governments	-	27,603	-	-	-	-	-	-	-	-	27,603
Prepaid expenses	-	3,491	-	-	-	-	-	-	-	-	3,491
Restricted cash	-	-	-	-	-	-	-	-	12,100	33,004	45,104
<b>Total assets</b>	<b>\$ 67,229</b>	<b>\$ 153,969</b>	<b>\$ 325,930</b>	<b>\$ 6,722</b>	<b>\$ 13,496</b>	<b>\$ 95,078</b>	<b>\$ 114,107</b>	<b>\$ 109,896</b>	<b>\$ 29,026</b>	<b>\$ 94,065</b>	<b>\$ 1,009,518</b>
<b>Liabilities</b>											
Accounts payable	\$ -	\$ 3,066	\$ -	\$ -	\$ -	\$ -	\$ 10,531	\$ -	\$ 12,100	\$ -	\$ 25,697
Due to other governments	-	-	524	-	933	-	-	-	-	-	1,457
Unearned revenue - grants	13,361	-	-	-	-	-	-	-	-	-	13,361
<b>Total liabilities</b>	<b>13,361</b>	<b>3,066</b>	<b>524</b>	<b>-</b>	<b>933</b>	<b>-</b>	<b>10,531</b>	<b>-</b>	<b>12,100</b>	<b>-</b>	<b>40,515</b>
<b>Fund Balance</b>											
Nonspendable	-	3,491	-	-	-	-	-	-	-	33,004	36,495
Restricted for											
Debt service	-	-	-	-	-	-	-	-	12,100	-	12,100
Perpetual cemetery care	-	-	-	-	-	-	-	-	-	61,061	61,061
Senior center	-	3,872	-	-	-	-	-	-	-	-	3,872
Court facilities fees (NRS 176.0611)	-	-	-	6,722	-	-	-	-	-	-	6,722
Judicial fees (NRS 176.059)	-	-	-	-	12,563	-	-	-	-	-	12,563
Committed for											
Future community development	-	-	73,753	-	-	-	-	-	-	-	73,753
Recreational activities	-	-	251,653	-	-	95,078	17,761	-	-	-	364,492
Public safety	-	-	-	-	-	-	-	109,896	-	-	109,896
Assigned											
Subsequent year operations	-	63,550	-	-	-	-	-	-	-	-	63,550
Other purposes	53,868	79,990	-	-	-	-	85,815	-	4,826	-	224,499
<b>Total fund balance</b>	<b>53,868</b>	<b>150,903</b>	<b>325,406</b>	<b>6,722</b>	<b>12,563</b>	<b>95,078</b>	<b>103,576</b>	<b>109,896</b>	<b>16,926</b>	<b>94,065</b>	<b>969,003</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 67,229</b>	<b>\$ 153,969</b>	<b>\$ 325,930</b>	<b>\$ 6,722</b>	<b>\$ 13,496</b>	<b>\$ 95,078</b>	<b>\$ 114,107</b>	<b>\$ 109,896</b>	<b>\$ 29,026</b>	<b>\$ 94,065</b>	<b>\$ 1,009,518</b>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue Funds								Permanent Fund	Total	
	Grants Fund	Open Door Senior Citizens Center Fund	Parks and Recreation Fund	Municipal Court Building Fund	Administrative Assessment Fund	Parks and Recreation Fund #2	Equestrian Center Fund	Police Forfeiture	Debt Service Fund		Perpetual Cemetery Care Fund
<b>Revenues</b>											
Taxes	\$ -	\$ -	\$ 39,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,611
Intergovernmental	33,248	163,994	-	-	-	-	-	-	-	-	197,242
Charges for services	-	11,903	-	-	-	-	-	-	-	-	11,903
Miscellaneous	-	10,254	-	1,002	4,427	19,377	39,496	-	-	1,072	75,628
<b>Total revenues</b>	<b>33,248</b>	<b>186,151</b>	<b>39,611</b>	<b>1,002</b>	<b>4,427</b>	<b>19,377</b>	<b>39,496</b>	<b>-</b>	<b>-</b>	<b>1,072</b>	<b>324,384</b>
<b>Expenditures</b>											
<b>Current</b>											
General government	1,453	-	-	-	-	-	-	-	-	-	1,453
Judicial	-	-	-	-	4,091	-	-	-	-	-	4,091
Culture and recreation	-	256,228	2,667	-	-	12,130	21,735	-	-	-	292,760
Capital outlay	-	20,331	-	-	-	-	-	-	-	-	20,331
Debt service											
Principal	-	-	-	-	-	-	-	-	6,918	-	6,918
Interest	-	-	-	-	-	-	-	-	5,182	-	5,182
<b>Total expenditures</b>	<b>1,453</b>	<b>276,559</b>	<b>2,667</b>	<b>-</b>	<b>4,091</b>	<b>12,130</b>	<b>21,735</b>	<b>-</b>	<b>12,100</b>	<b>-</b>	<b>330,735</b>
Excess (Deficiency) of Revenues Over Expenditures	31,795	(90,408)	36,944	1,002	336	7,247	17,761	-	(12,100)	1,072	(6,351)
Other Financing Sources (Uses)											
Transfers in	-	30,000	-	-	-	-	-	-	-	-	30,000
<b>Net Change in Fund Balance</b>	<b>31,795</b>	<b>(60,408)</b>	<b>36,944</b>	<b>1,002</b>	<b>336</b>	<b>7,247</b>	<b>17,761</b>	<b>-</b>	<b>(12,100)</b>	<b>1,072</b>	<b>23,649</b>
Fund Balances, Beginning of Year	22,073	211,311	288,462	5,720	12,227	87,831	85,815	109,896	29,026	92,993	945,354
<b>Fund Balances, End of Year</b>	<b>\$ 53,868</b>	<b>\$ 150,903</b>	<b>\$ 325,406</b>	<b>\$ 6,722</b>	<b>\$ 12,563</b>	<b>\$ 95,078</b>	<b>\$ 103,576</b>	<b>\$ 109,896</b>	<b>\$ 16,926</b>	<b>\$ 94,065</b>	<b>\$ 969,003</b>



City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
 Grants Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Intergovernmental				
Grants	<u>\$ 70,000</u>	<u>\$ 33,248</u>	<u>\$ (36,752)</u>	<u>\$ 3,000</u>
Expenditures				
Current				
General government				
Capital outlay	<u>70,000</u>	<u>1,453</u>	<u>68,547</u>	<u>32,213</u>
Net Change in Fund Balance	-	31,795	31,795	(29,213)
Fund Balance (Deficit), Beginning of Year	<u>51,286</u>	<u>22,073</u>	<u>(29,213)</u>	<u>51,286</u>
Fund Balance, End of Year	<u><u>\$ 51,286</u></u>	<u><u>\$ 53,868</u></u>	<u><u>\$ 2,582</u></u>	<u><u>\$ 22,073</u></u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Open Door Senior Citizens Center

Year Ended June 30, 2022

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Intergovernmental				
Federal grants	\$ 55,000	\$ 60,259	\$ 5,259	\$ 57,605
State grants	-	14,978	14,978	-
Cash match	86,000	78,671	(7,329)	96,578
USDA	<u>8,000</u>	<u>10,086</u>	<u>2,086</u>	<u>10,295</u>
	<u>149,000</u>	<u>163,994</u>	<u>14,994</u>	<u>164,478</u>
Charges for services	<u>16,500</u>	<u>11,903</u>	<u>(4,597)</u>	<u>12,914</u>
Miscellaneous				
Contributions	10,000	9,499	(501)	10,730
In-kind revenue	<u>2,500</u>	<u>755</u>	<u>(1,745)</u>	<u>105</u>
	<u>12,500</u>	<u>10,254</u>	<u>(2,246)</u>	<u>10,835</u>
Total revenues	<u>178,000</u>	<u>186,151</u>	<u>8,151</u>	<u>188,227</u>
Expenditures				
Current				
Culture and recreation				
Salaries and wages	120,000	98,461	21,539	96,651
Employee benefits	100,200	81,588	18,612	65,189
Services and supplies	120,400	76,179	44,221	66,003
Capital outlay	<u>-</u>	<u>20,331</u>	<u>(20,331)</u>	<u>-</u>
Total expenditures	<u>340,600</u>	<u>276,559</u>	<u>64,041</u>	<u>227,843</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(162,600)</u>	<u>(90,408)</u>	<u>72,192</u>	<u>(39,616)</u>
Other Financing Sources (Uses)				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>70,000</u>
Net Change in Fund Balance	(132,600)	(60,408)	72,192	30,384
Fund Balance, Beginning of Year	<u>146,727</u>	<u>211,311</u>	<u>64,584</u>	<u>180,927</u>
Fund Balance, End of Year	<u>\$ 14,127</u>	<u>\$ 150,903</u>	<u>\$ 136,776</u>	<u>\$ 211,311</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
Parks and Recreation Fund  
Year Ended June 30, 2022  
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Taxes				
Room tax revenues	\$ 22,000	\$ 39,611	\$ 17,611	\$ 41,430
Expenditures				
Current				
Culture and recreation Services and supplies	2,000	2,667	(667)	3,459
Excess (Deficiency) of Revenues over (under) Expenditures	20,000	36,944	16,944	37,971
Other Financing Sources (Uses)				
Transfers out	(20,000)	-	20,000	(4,625)
Net Change in Fund Balance	-	36,944	36,944	33,346
Fund Balance, Beginning of Year	258,616	288,462	29,846	255,116
Fund Balance, End of Year	<u>\$ 258,616</u>	<u>\$ 325,406</u>	<u>\$ 66,790</u>	<u>\$ 288,462</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
Municipal Court Building Fund  
Year Ended June 30, 2022  
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Miscellaneous				
Building assessments	\$ 2,500	\$ 1,002	\$ (1,498)	\$ 1,210
Net Change in Fund Balance	2,500	1,002	(1,498)	1,210
Fund Balance, Beginning of Year	<u>7,010</u>	<u>5,720</u>	<u>(1,290)</u>	<u>4,510</u>
Fund Balance, End of Year	<u>\$ 9,510</u>	<u>\$ 6,722</u>	<u>\$ (2,788)</u>	<u>\$ 5,720</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
Administrative Assessment Fund  
Year Ended June 30, 2022  
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Miscellaneous				
Administrative assessments	\$ 11,200	\$ 4,427	\$ (6,773)	\$ 7,776
Expenditures				
Current				
Judicial				
Services and supplies	10,500	4,091	6,409	6,795
Net Change in Fund Balance	700	336	(364)	981
Fund Balance, Beginning of Year	11,946	12,227	281	11,246
Fund Balance, End of Year	<u>\$ 12,646</u>	<u>\$ 12,563</u>	<u>\$ (83)</u>	<u>\$ 12,227</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Parks and Recreation Fund #2

Year Ended June 30, 2022

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Miscellaneous				
Other income	<u>\$ 15,000</u>	<u>\$ 19,377</u>	<u>\$ 4,377</u>	<u>\$ 11,621</u>
Expenditures				
Current				
Culture and recreation				
Parks				
Services and supplies	15,000	12,130	2,870	6,986
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,625</u>
Total expenditures	<u>15,000</u>	<u>12,130</u>	<u>2,870</u>	<u>11,611</u>
Net Change in Fund Balance	-	7,247	7,247	10
Fund Balance, Beginning of Year	<u>76,821</u>	<u>87,831</u>	<u>11,010</u>	<u>87,821</u>
Fund Balance, End of Year	<u><u>\$ 76,821</u></u>	<u><u>\$ 95,078</u></u>	<u><u>\$ 18,257</u></u>	<u><u>\$ 87,831</u></u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
Equestrian Center Fund  
Year Ended June 30, 2022  
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Miscellaneous				
Other income	\$ 25,000	\$ 39,496	\$ 14,496	\$ 11,567
Expenditures				
Current				
Culture and recreation				
Parks				
Services and supplies	25,000	21,735	3,265	7,006
Capital outlay	20,000	-	20,000	4,625
Total expenditures	45,000	21,735	23,265	11,631
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(20,000)</u>	<u>17,761</u>	<u>37,761</u>	<u>(64)</u>
Other Financing Sources				
Transfers in	20,000	-	(20,000)	4,625
Net Change in Fund Balance	-	17,761	17,761	4,561
Fund Balance, Beginning of Year	81,254	85,815	4,561	81,254
Fund Balance, End of Year	<u>\$ 81,254</u>	<u>\$ 103,576</u>	<u>\$ 22,322</u>	<u>\$ 85,815</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Police Forfeiture Fund

Year Ended June 30, 2022

(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Fines and forfeits				
Forfeitures	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>\$ 9,681</u>
Expenditures				
Current				
Public safety				
Police				
Services and supplies	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>566</u>
Net Change in Fund Balance	<u>(2,000)</u>	<u>-</u>	<u>2,000</u>	<u>9,115</u>
Fund Balance, Beginning of Year	<u>98,781</u>	<u>109,896</u>	<u>11,115</u>	<u>100,781</u>
Fund Balance, End of Year	<u><u>\$ 96,781</u></u>	<u><u>\$ 109,896</u></u>	<u><u>\$ 13,115</u></u>	<u><u>\$ 109,896</u></u>



City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
Debt Service Fund  
Year Ended June 30, 2022  
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Expenditures				
Debt service				
Principal	\$ 6,925	\$ 6,918	\$ 7	\$ 6,628
Interest	<u>5,175</u>	<u>5,182</u>	<u>(7)</u>	<u>5,472</u>
Total expenditures	<u>12,100</u>	<u>12,100</u>	<u>-</u>	<u>12,100</u>
Net Change in Fund Balance	(12,100)	(12,100)	-	(12,100)
Fund Balance, Beginning of Year	<u>29,026</u>	<u>29,026</u>	<u>-</u>	<u>41,126</u>
Fund Balance, End of Year	<u><u>\$ 16,926</u></u>	<u><u>\$ 16,926</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 29,026</u></u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
 Perpetual Cemetery Care Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
Revenues				
Miscellaneous				
Contributions from individuals	\$ 3,000	\$ 1,050	\$ (1,950)	\$ 1,475
Interest income	<u>100</u>	<u>22</u>	<u>(78)</u>	<u>31</u>
Total revenues	<u>3,100</u>	<u>1,072</u>	<u>(2,028)</u>	<u>1,506</u>
Net Change in Fund Balance	3,100	1,072	(2,028)	1,506
Fund Balance, Beginning of Year	<u>94,587</u>	<u>92,993</u>	<u>(1,594)</u>	<u>91,487</u>
Fund Balance, End of Year	<u><u>\$ 97,687</u></u>	<u><u>\$ 94,065</u></u>	<u><u>\$ (3,622)</u></u>	<u><u>\$ 92,993</u></u>

City of Carlin

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Utility Fund  
 Year Ended June 30, 2022  
 (With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budget	Actual	Variance	2021
Operating Revenues				
Utility fees				
Water	\$ 407,000	\$ 495,653	\$ 88,653	\$ 498,483
Garbage	240,000	245,820	5,820	256,180
Sewer	321,000	367,309	46,309	336,507
Street lights				
Use fees	25,000	29,650	4,650	29,926
Total operating revenues	993,000	1,138,432	145,432	1,121,096
Operating Expenses				
Water				
Salaries and wages	203,335	207,250	(3,915)	202,063
Employee benefits	114,141	72,110	42,031	92,965
Services and supplies	214,837	249,805	(34,968)	74,122
Depreciation	99,000	45,975	53,025	48,244
	631,313	575,140	56,173	417,394
Garbage				
Services and supplies	185,826	156,492	29,334	105,204
Sewer				
Salaries and wages	135,000	81,695	53,305	117,146
Employee benefits	57,835	27,868	29,967	54,987
Services and supplies	204,266	200,694	3,572	62,674
Depreciation	85,500	104,344	(18,844)	104,391
	482,601	414,601	68,000	339,198
Street lights				
Services and supplies	9,471	50,734	(41,263)	222,395
Total operating expenses	1,309,211	1,196,967	112,244	1,084,191
Operating Income (Loss)	(316,211)	(58,535)	257,676	36,905
Nonoperating Revenues				
Interest and penalties earned	18,000	15,126	(2,874)	16,970
Miscellaneous income	500	-	(500)	-
Total nonoperating revenues (expenses)	18,500	15,126	(3,374)	16,970
Income (Loss) Before Capital Contributions and Transfers	(297,711)	(43,409)	254,302	53,875
Capital contributions	-	25	25	-
Transfer in	-	-	-	2,000,000
Change in Net Position	\$ (297,711)	(43,384)	\$ 254,327	2,053,875
Net Position, Beginning of Year		6,605,781		4,551,906
Net Position, End of Year		\$ 6,562,397		\$ 6,605,781

City of Carlin  
 Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989  
 Year Ended June 30, 2022

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Flat Fixed Fees		
Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2021	\$	<u>44,723</u>
Adjustment of Base		
Base year		
1. Percentage increase in population of local government	0.41%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	<u>7.4%</u>	<u>7.81%</u>
		<u>3,494</u>
Adjusted base at June 30, 2022		48,217
Actual revenue		<u>21,851</u>
Amount under allowable amount	\$	<u><u>26,366</u></u>



**Independent Auditor’s Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and Members of the City Council  
City of Carlin  
State of Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated January 19, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

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

**City of Carlin's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

The image shows a handwritten signature in black ink that reads "Eide Sallie LLP". The signature is written in a cursive, flowing style.

Elko, Nevada  
January 19, 2023

**2022-001      Report Preparation  
Material Weakness**

*Criteria:* Management of the City of Carlin (the City) is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control is a finance staff with adequate resources available to prepare the financial statements in accordance with generally accepted accounting principles.

*Condition:* Management does not prepare financial statements in accordance with generally accepted accounting principles. The City contracts with the external audit firm to prepare the City's audited financial statements and related note disclosures from the general ledger and applicable City records provided by the City's staff. Based on audit procedures performed as of June 30, 2022, we proposed the following audit adjustment to properly state various account balances:

- Grant revenue was overstated and unearned grant revenue was understated by \$1,529,553 in the general fund.

*Cause:* Given the daily responsibilities of management, the resources of time and training necessary to prepare the City's financial statements in accordance with generally accepted accounting principles are not available. As a result, the City has chosen to contract with Eide Bailly LLP to prepare the financial statements. This circumstance is not unusual in an organization of this size, due to time constraints of management and costs associated with compliance of the standards.

*Effect:* The City's internally prepared records upon which the financial statements are prepared do not contain all information required by generally accepted accounting principles.

*Recommendation:* Management should perform a detailed review of all financial statements and fund trial balances throughout the year to ensure that all significant transactions have been appropriately reported. In addition, management and those charged with governance should annually make the decision to accept the degree of risk associated with this condition because of costs or other considerations.

*Management's Response:* The City has contracted a third-party CPA consultant. With the help of the CPA consultant, management has been reviewing its financial statements throughout the year to ensure that all transactions have been appropriately reported. Also, all year-end reconciliation and lead schedules have been prepared and will continue to be prepared for the auditors. With our CPA consultant's help, management has been overseeing the City's financial statements preparation function. The City believes that outsourcing the financial preparation function to the external auditors is the most cost-effective.



## Auditor's Comments

To the Honorable Mayor and Members of the City Council  
City of Carlin  
Carlin, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the City failed to comply with the specific requirements of Nevada Revised Statutes other than those cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

### Current Year Statute Compliance

Compliance with Nevada Revised Statutes is contained in Note 2 of the financial statements.

### Progress on Prior Year Statute Compliance

In the prior year, an apparent over expenditure of NRS 354.626 occurred in the Parks and Recreation Fund. The City monitored expenditures during the current year in order to prevent over expenditures, however, as reported in Note 2 of the financial statements, there was an instance of over expenditure at June 30, 2022.

### Disposition of Prior Year Recommendations

Prior year audit findings were implemented, with the exception of finding 2021-001 which is included in the current year as findings 2022-001.

### Current Year Audit Recommendations

See items noted in the Schedule of Findings and Responses.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Elko, Nevada  
January 19, 2023