



Financial Statements
June 30, 2021
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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, budgetary comparison information on pages 47 through 50, 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 51 and 52, the Schedule of City's Share of Net Pension Liability on page 53 and the Schedule of the City's Contributions on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual nonmajor fund financial statements, budgetary comparisons and schedule of fees imposed subject to the provision of NRS 354.5989 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparisons are the responsibility of management and were derived from and relate directly to the 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 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.

The schedule of fees imposed subject to the provision of NRS 354.5989 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited, in accordance with accounting standards general accepted in the United States of America, the basic financial statements of the City as of and for the year ended June 30, 2020, and have issued a report thereon dated January 22, 2021, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

The budgetary comparisons related to the 2020 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 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 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 combining and individual fund financial statements and budgetary comparisons 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 December 10, 2021 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
December 10, 2021

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, proprietary and fiduciary 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

	Government-Wide Financial Statements	Governmental Funds	Fund Financial Statements	
			Proprietary Funds	Fiduciary Funds
Scope	Entire City Government (except fiduciary funds)	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private businesses	Instances in which the City is the trustee agent for someone else's resources
Required Financial Statements	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	Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
Types of Asset/Liability/Deferred Inflow/Outflow Information	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	Assets and liabilities held in fiduciary capacity
Type of Inflow/Outflow Information	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	Revenues and expenses during the year, regardless of when cash is received or paid

Condensed Statement of Net Position

The largest component, \$7,278,932 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 44.9% 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.

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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 7,331,384	\$ 7,960,528	\$ 4,596,490	\$ 2,435,596	\$ 11,927,874	\$ 10,396,124
Capital assets	4,689,518	4,915,083	2,707,723	2,832,871	7,397,241	7,747,954
Total assets	12,020,902	12,875,611	7,304,213	5,268,467	19,325,115	18,144,078
Deferred outflows of resources	254,847	290,594	77,477	82,314	332,324	372,908
Other liabilities	160,845	149,011	38,570	40,513	199,415	189,524
Long-term liabilities						
Due in one year	53,186	33,334	31,289	29,330	84,475	62,664
Due in more than one year	2,158,644	2,175,637	606,462	599,943	2,765,106	2,775,580
Total liabilities	2,372,675	2,357,982	676,321	669,786	3,048,996	3,027,768
Deferred inflows of resources	298,950	396,826	99,588	129,089	398,538	525,915
Net investment in capital assets	4,571,209	5,032,480	2,707,723	2,832,871	7,278,932	7,865,351
Restricted	176,721	162,373	-	-	176,721	162,373
Unrestricted	4,856,194	5,216,544	3,898,058	1,719,035	8,754,252	6,935,579
Total net position	\$ 9,604,124	\$ 10,411,397	\$ 6,605,781	\$ 4,551,906	\$ 16,209,905	\$ 14,963,303

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 decreased by \$807,273 and the net position of the business-type activities increased by \$2,053,875.

Table 3: Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	\$ 242,885	\$ 182,978	\$ 1,121,096	\$ 1,062,692	\$ 1,363,981	\$ 1,245,670
Operating grants contributions	610,994	160,168	-	-	610,994	160,168
Capital grants and contributions	3,000	64,205	-	1,000	3,000	65,205
Total programs revenues	856,879	407,351	1,121,096	1,063,692	1,977,975	1,471,043
General revenues						
Taxes						
Property	482,412	462,257	-	-	482,412	462,257
Room	41,430	27,915	-	-	41,430	27,915
Fuel	51,388	50,825	-	-	51,388	50,825
Consolidated tax revenues	2,281,513	2,136,777	-	-	2,281,513	2,136,777
Interest and investment earnings	1,071	2,326	16,970	18,389	18,041	20,715
Miscellaneous	88,041	83,458	-	-	88,041	83,458
Total general revenues	2,945,855	2,763,558	16,970	18,389	2,962,825	2,781,947
Total revenues	3,802,734	3,170,909	1,138,066	1,082,081	4,940,800	4,252,990
Program expenses						
General government	837,450	751,105	-	-	837,450	751,105
Public safety	1,003,994	989,442	-	-	1,003,994	989,442
Judicial	40,682	66,389	-	-	40,682	66,389
Public works	317,513	355,770	-	-	317,513	355,770
Health and sanitation	97,118	101,675	-	-	97,118	101,675
Culture and recreation	307,778	341,078	-	-	307,778	341,078
Water	-	-	505,320	480,638	505,320	480,638
Garbage	-	-	150,391	156,400	150,391	156,400
Sewer	-	-	398,554	387,883	398,554	387,883
Street lights	-	-	29,926	30,286	29,926	30,286
Interest on long-term debt	5,472	5,750	-	-	5,472	5,750
Total expenses	2,610,007	2,611,209	1,084,191	1,055,207	3,694,198	3,666,416
Transfer In (Out)	(2,000,000)	-	2,000,000	-	-	-
Change in net position	(807,273)	559,700	2,053,875	26,874	1,246,602	586,574
Net position, beginning of year	10,411,397	9,851,697	4,551,906	4,525,032	14,963,303	14,376,729
Net position, end of year	\$ 9,604,124	\$ 10,411,397	\$ 6,605,781	\$ 4,551,906	\$ 16,209,905	\$ 14,963,303

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, 2021**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program (Expenses)/Revenues</u>
General Government	\$ 837,450	\$ 415,828	\$ (421,622)
Public Safety	1,003,994	163,031	(840,963)
Judicial	40,682	-	(40,682)
Public Works	317,513	75,965	(241,548)
Health and Sanitation	97,118	1,475	(95,643)
Culture and Recreation	307,778	200,580	(107,198)
Interest Long-term Debt	5,472	-	(5,472)
Total	\$ 2,610,007	\$ 856,879	\$ (1,753,128)

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, 2021**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program (Expenses)/Revenues</u>
Water	\$ 505,320	\$ 498,483	\$ (6,837)
Garbage	150,391	256,180	105,789
Sewer	398,554	336,507	(62,047)
Street Lights	29,926	29,926	-
Total	\$ 1,084,191	\$ 1,121,096	\$ 36,905

Financial highlights for the City during the fiscal year ended June 30, 2021, include the following:

- The City's total Net Position for all activities increased from \$14,963,303 to \$16,209,905 an increase of \$1,246,602 (8.3%). 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 \$960,690 (31.2 %). General Fund revenues were also better than projected by \$994,844 (41.3%) due to a conservative estimate of budget revenues during budgeting.
- Capital assets added during the year in the amount of \$180,547 include equipment, one police truck, improvements to City buildings and facilities, including curb gutter and sidewalk improvements, and a conex box at the City Park.
- The City's Business-type Activities (Utility Fund) operating revenues exceeded operating expenses by \$36,905. 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.

Fund Analysis

All Governmental Funds

At the close of the fiscal year ending June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$6,996,998, representing a decrease of \$724,840 (9.4%) from the previous fiscal year. The decrease across all governmental funds is the result of the following factors:

- Expense control by all departments.
- Increased revenue from higher than projected revenues.
- Transfer of \$2 million from General fund to the Utility fund to help fund the upcoming refurbishment plan.

General Fund

Fund balance at June 30, 2021 totaled \$4,719,802 which is a decrease of \$1,086,994 (18.7%) from the previous fiscal year. The decrease is due to a transfer of \$2 million from General fund to the Utility fund to help fund the upcoming refurbishment plan.

Capital Projects Fund

Fund balance at June 30, 2021 totaled \$1,331,842 which is an increase of \$322,354 (31.9 %) from the previous year. The increase is due to lower than budgeted expenses.

Non-major Governmental Funds

Fund balance at June 30, 2021 totaled \$945,354 which is an increase of \$39,800 (4.4 %) 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, 2021 and the increase/(decrease) from the previous fiscal year:

<u>Fund</u>	<u>Fund Balance June 30, 2021</u>	<u>Increase/ Decrease</u>
Non-Major Governmental Funds:		
Grants Fund	\$ 22,073	\$ (29,213)
Open Door Senior Citizens Fund	211,311	30,384
Municipal Court Building Fund	5,720	1,210
Administrative Assessment Fund	12,227	981
Park and Recreation Fund	288,462	33,346
Parks and Recreation Fund #2	87,831	10
Equestrian Center Fund	85,815	4,561
Debt Service Fund	29,026	(12,100)
Police Forfeiture Fund	109,896	9,115
Perpetual Cemetery Care Fund	92,993	1,506
	<u>945,354</u>	<u>39,800</u>
Totals	<u>\$ 945,354</u>	<u>\$ 39,800</u>

Proprietary Funds

The City's sole Proprietary Fund, the Utility Fund, had a net position of \$6,605,781 as of June 30, 2021. Operating revenues exceeded operating expenses by \$36,905. The increase is due to a transfer of \$2 million from General fund to the Utility fund to help fund the upcoming refurbishment plan.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2021, the City reported \$4,689,518 in capital assets for governmental activities and \$2,707,723 in capital assets for business-type activities. Capital asset additions included equipment, one police truck, improvements to City buildings and facilities, including curb gutter and sidewalk improvements, and a conex box at the City Park.

Long-term Debt Activity

Long-term debt outstanding at June 30, 2021, excluding the annual required contribution for other postemployment benefits and the net pension liability, totaled \$118,309, which is entirely for the Senior Center. The other postemployment benefits liability decreased by \$6,721 to \$352,450. The City's net pension liability increased by \$16,767 to \$2,254,622.

Additionally, the City estimates \$124,200 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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 6,647,701	\$ 4,483,270	\$ 11,130,971
Accounts receivable, net	81,527	107,727	189,254
Due from other governments	525,810	-	525,810
Taxes receivable, delinquent	19,802	-	19,802
Prepaid expenses	11,440	5,493	16,933
Restricted cash	45,104	-	45,104
Capital assets, net of accumulated depreciation	3,851,566	2,629,668	6,481,234
Capital assets, not being depreciated	837,952	78,055	916,007
Total assets	<u>12,020,902</u>	<u>7,304,213</u>	<u>19,325,115</u>
Deferred Outflows of Resources			
Deferred outflows related to other postemployment benefits	13,938	5,005	18,943
Deferred outflows related to pensions	240,909	72,472	313,381
Total deferred outflows of resources	<u>254,847</u>	<u>77,477</u>	<u>332,324</u>
Total Assets and Deferred Outflows of Resources	<u>12,275,749</u>	<u>7,381,690</u>	<u>19,657,439</u>
Liabilities			
Accounts payable and other	69,078	20,972	90,050
Accrued salaries and related liabilities	77,701	-	77,701
Due to other governments	705	5,344	6,049
Customer meter deposits	-	12,254	12,254
Unearned revenue - grants	13,361	-	13,361
Noncurrent liabilities portion due or payable within one year			
Compensated absences	46,261	31,289	77,550
Notes payable	6,925	-	6,925
Noncurrent liabilities portion due or payable after one year			
Compensated absences	27,828	18,822	46,650
Notes payable	111,384	-	111,384
Total other postemployment benefits liability	281,335	71,115	352,450
Net pension liability	1,738,097	516,525	2,254,622
Total liabilities	<u>2,372,675</u>	<u>676,321</u>	<u>3,048,996</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	298,950	99,588	398,538
Total Liabilities and Deferred Inflows of Resources	<u>2,671,625</u>	<u>775,909</u>	<u>3,447,534</u>
Net Position			
Net investment in capital assets	4,571,209	2,707,723	7,278,932
Restricted for			
Debt service	12,100	-	12,100
Nonspendable perpetual cemetery care	33,004	-	33,004
Perpetual cemetery care	59,989	-	59,989
Capital projects	49,809	-	49,809
Senior Center	3,872	-	3,872
Judicial fees (NRS 176)	17,947	-	17,947
Unrestricted	4,856,194	3,898,058	8,754,252
Total net position	<u>\$ 9,604,124</u>	<u>\$ 6,605,781</u>	<u>\$ 16,209,905</u>

City of Carlin
Statement of Activities
Year Ended June 30, 2021

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
Governmental Activities							
General government	\$ 837,450	\$ -	\$ 415,828	\$ -	\$ (421,622)	\$ -	\$ (421,622)
Public safety	1,003,994	130,818	29,213	3,000	(840,963)	-	(840,963)
Judicial	40,682	-	-	-	(40,682)	-	(40,682)
Public works	317,513	75,965	-	-	(241,548)	-	(241,548)
Health and sanitation	97,118	-	1,475	-	(95,643)	-	(95,643)
Culture and recreation	307,778	36,102	164,478	-	(107,198)	-	(107,198)
Interest on long-term debt	5,472	-	-	-	(5,472)	-	(5,472)
Total governmental activities	2,610,007	242,885	610,994	3,000	(1,753,128)	-	(1,753,128)
Business-type Activities							
Water	505,320	498,483	-	-	-	(6,837)	(6,837)
Garbage	150,391	256,180	-	-	-	105,789	105,789
Sewer	398,554	336,507	-	-	-	(62,047)	(62,047)
Street lights	29,926	29,926	-	-	-	-	-
Total business-type activities	1,084,191	1,121,096	-	-	-	36,905	36,905
Total primary government	\$ 3,694,198	\$ 1,363,981	\$ 610,994	\$ 3,000	(1,753,128)	36,905	(1,716,223)
Property taxes					482,412	-	482,412
Room taxes					41,430	-	41,430
Consolidated tax revenues - unrestricted					2,281,513	-	2,281,513
Fuel taxes					51,388	-	51,388
Interest and investment earnings					1,071	16,970	18,041
Miscellaneous revenue					88,041	-	88,041
Transfers In (Out)					(2,000,000)	2,000,000	-
Total general revenues					945,855	2,016,970	2,962,825
Change in Net Position					(807,273)	2,053,875	1,246,602
Net Position, Beginning of Year					10,411,397	4,551,906	14,963,303
Net Position, End of Year					\$ 9,604,124	\$ 6,605,781	\$ 16,209,905

City of Carlin
Balance Sheet – Governmental Funds
June 30, 2021

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 4,426,323	\$ 1,319,829	\$ 901,549	\$ 6,647,701
Receivables, net				
Accounts	77,908	-	3,619	81,527
Taxes	19,802	-	-	19,802
Due from other governments	458,614	12,013	55,183	525,810
Prepaid expenses	9,772	-	1,668	11,440
Restricted cash	-	-	45,104	45,104
Total assets	\$ 4,992,419	\$ 1,331,842	\$ 1,007,123	\$ 7,331,384
Liabilities				
Accounts payable	\$ 53,246	\$ -	\$ 15,640	\$ 68,886
Accrued salaries and related liabilities	77,701	-	-	77,701
Bail and fines held	192	-	-	192
Due to other governments	150	-	555	705
Unearned revenue - grants	-	-	13,361	13,361
Total liabilities	131,289	-	29,556	160,845
Deferred Inflows of Resources				
Unavailable property taxes	19,802	-	-	19,802
Unavailable infrastructure tax revenue	44,571	-	-	44,571
Unavailable ambulance fees	76,955	-	-	76,955
Unavailable grant revenue	-	-	32,213	32,213
Total deferred inflows of resources	141,328	-	32,213	173,541
Fund Balances				
Nonspendable	9,772	-	34,672	44,444
Restricted for				
Debt service	-	-	12,100	12,100
Perpetual cemetery care	-	-	59,989	59,989
Capital projects	-	49,809	-	49,809
Senior Center	-	-	3,872	3,872
Judicial fees (NRS 176)	-	-	17,947	17,947
Committed for				
Future community development	-	-	66,950	66,950
Recreational activities	-	-	309,343	309,343
Public safety	-	-	109,896	109,896
Assigned				
Subsequent year operations	1,459,942	-	132,600	1,592,542
Other purposes	-	1,282,033	197,985	1,480,018
Unassigned	3,250,088	-	-	3,250,088
Total fund balances	4,719,802	1,331,842	945,354	6,996,998
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,992,419	\$ 1,331,842	\$ 1,007,123	\$ 7,331,384

See Notes to Financial Statements

City of Carlin
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2021

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

Total fund balances - governmental funds		\$ 6,996,998
<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	\$ 12,863,901	
Less accumulated depreciation	<u>(9,012,335)</u>	3,851,566
Capital assets, not being depreciated	<u>837,952</u>	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>		
		173,541
<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	(1,738,097)	
Notes payable	(118,309)	
Other postemployment benefits	(281,335)	
Compensated absences	<u>(74,089)</u>	(2,211,830)
<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	240,909	
Deferred inflows of resources related to pensions	(298,950)	
Deferred outflows of resources related to other postemployment benefits	<u>13,938</u>	<u>(44,103)</u>
Net position of governmental activities		<u>\$ 9,604,124</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 437,505	\$ 39,888	\$ 41,430	\$ 518,823
Licenses, permits and fees	75,965	-	-	75,965
Intergovernmental	2,757,293	-	167,478	2,924,771
Charges for services	58,736	-	12,914	71,650
Fines and forfeits	13,117	-	-	13,117
Miscellaneous	60,350	-	54,196	114,546
Total revenues	3,402,966	39,888	276,018	3,718,872
Expenditures				
Current				
General government	827,195	-	-	827,195
Public safety	945,514	-	566	946,080
Judicial	34,817	-	6,795	41,612
Public works	140,153	-	-	140,153
Health and sanitation	62,840	-	-	62,840
Culture and recreation	15,378	-	245,294	260,672
Capital outlay	94,063	17,534	41,463	153,060
Debt service				
Principal	-	-	6,628	6,628
Interest	-	-	5,472	5,472
Total expenditures	2,119,960	17,534	306,218	2,443,712
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,283,006	22,354	(30,200)	1,275,160
Other Financing Source (Uses)				
Transfer in	-	300,000	74,625	374,625
Transfer out	(2,370,000)	-	(4,625)	(2,374,625)
Total other financing sources (uses)	(2,370,000)	300,000	70,000	(2,000,000)
Net Change in Fund Balances	(1,086,994)	322,354	39,800	(724,840)
Fund Balances, Beginning of Year	5,806,796	1,009,488	905,554	7,721,838
Fund Balances, End of Year	\$ 4,719,802	\$ 1,331,842	\$ 945,354	\$ 6,996,998

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, 2021

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

Net change in fund balances - total governmental funds \$ (724,840)

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.

Capital outlay to purchase capital assets	\$ 153,060	
Current depreciation expense	<u>(378,625)</u>	(225,565)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable property taxes	5,019	
Change in unavailable ambulance fees	49,284	
Change in unavailable grant revenue	29,213	
Change in unavailable infrastructure tax revenue	<u>346</u>	83,862

Long-term liabilities, include notes payable, that are not due and payable in current period and, therefore, are not reported in the governmental funds.

Note payable - principal payments		6,628
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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.

Current year change in compensated absences		(6,111)
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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:

City PERS contributions	133,664	
City pension expense	<u>(79,853)</u>	53,811

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.

Other postemployment benefits contributions	13,938	
Other postemployment benefits expense	<u>(8,996)</u>	4,942

Change in net position of governmental activities \$ (807,273)

City of Carlin
Statement of Net Position – Proprietary Fund
June 30, 2021

	Business-Type Activities Enterprise Fund	Utility Fund
Assets		
Current Assets		
Cash	\$ 4,483,270	
Accounts receivable, net	107,727	
Prepaid expenses	5,493	
Total current assets	4,596,490	
Noncurrent Assets		
Capital assets, net of accumulated depreciation	2,629,668	
Capital assets, not being depreciated	78,055	
Total noncurrent assets	2,707,723	
Total assets	7,304,213	
Deferred Outflows of Resources		
Deferred outflows related to other postemployment benefits	5,005	
Deferred outflows related to pensions	72,472	
Total deferred outflows of resources	77,477	
Liabilities		
Current Liabilities		
Accounts payable	20,972	
Due to other governments	5,344	
Compensated absences, current portion	31,289	
Customer meter deposits	12,254	
Total current liabilities	69,859	
Noncurrent Liabilities		
Compensated absences	18,822	
Net pension liability	516,525	
Total other postemployment benefits liability	71,115	
Total noncurrent liabilities	606,462	
Total liabilities	676,321	
Deferred Inflows of Resources		
Deferred inflows related to pensions	99,588	
Net Position		
Net investment in capital assets	2,707,723	
Unrestricted	3,898,058	
Total net position	\$ 6,605,781	

City of Carlin
Statement of Revenues, Expenses, and Changes in Net Position –Proprietary Fund
Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund <u>Utility Fund</u>
Operating Revenues	
Charges for sales and services	
Water (pledge for revenue bond coverage)	\$ 498,483
Garbage	256,180
Sewer	336,507
Street lights	<u>29,926</u>
Total operating revenues	<u>1,121,096</u>
Operating Expenses	
Salaries and wages	319,209
Employee benefits	147,952
Services and supplies	464,395
Depreciation	<u>152,635</u>
Total operating expenses	<u>1,084,191</u>
Operating Income	<u>36,905</u>
Nonoperating Revenues	
Interest and penalties earned	<u>16,970</u>
Income Before Transfers	53,875
Transfers	<u>2,000,000</u>
Change in Net Position	<u>2,053,875</u>
Net Position, Beginning of Year	<u>4,551,906</u>
Net Position, End of Year	<u><u>\$ 6,605,781</u></u>

City of Carlin
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund	Utility Fund
Operating Activities		
Cash received from customers	\$ 1,106,744	
Cash payments to employees for services and benefits	(483,347)	
Cash payments to suppliers for goods and services	(472,155)	
Net Cash from Operating Activities		151,242
Non-Capital Financing Activities		
Transfer from other funds		2,000,000
Capital and Related Financing Activities		
Acquisition of capital assets		(27,487)
Net Cash used for Capital and Related Financing Activities		(27,487)
Investing Activity		
Interest and penalties earned		16,970
Net Change in Cash		2,140,725
Cash, Beginning of Year		2,342,545
Cash, End of Year		\$ 4,483,270

City of Carlin
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund	Utility Fund
Reconciliation of operating income to net cash from operating activities		
Operating income	\$	36,905
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation		152,635
Pension expense		24,069
City pension contributions		(40,288)
Other postemployment benefits expense		(1,775)
Changes in		
Accounts receivable		(19,696)
Prepaid expenses		(473)
Accounts payable		(669)
Accrued expenses		534
		114,337
Total Adjustments		114,337
Net Cash from Operating Activities	\$	151,242

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 \$396,276 are reported at \$77,908, net of a \$318,368 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, 2021, the City had no retirees utilizing the benefit. The City had \$0 associated with the above benefit for the year ended June 30, 2021.

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, grants, 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 2019-2020 financial statements and reclassified where necessary and practical to afford better comparability between the years. It has been provided to add comparability but is not considered full disclosure of transactions for 2019-2020. 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	\$ 1,459

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, 2021, 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).

Cash held by the City as of June 30, 2021 are allocated to the various funds as follows:

Major governmental funds	\$ 5,746,152
Nonmajor governmental funds	901,549
Business-type activities/proprietary fund	4,483,270
Restricted:	
Nonmajor governmental funds	45,104
	\$ 11,176,075

Note 4 - Capital Assets

The amounts recorded as capital assets are summarized as follows:

Governmental Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, being depreciated				
Buildings	\$ 3,205,827	\$ -	\$ -	\$ 3,205,827
Office equipment	155,546	2,474	-	158,020
Other equipment	2,286,043	47,922	-	2,333,965
Vehicles	2,221,663	42,081	-	2,263,744
Infrastructure	4,859,295	43,050	-	4,902,345
Total capital assets, being depreciated	12,728,374	135,527	-	12,863,901
Less accumulated depreciation				
Buildings	(1,058,933)	(77,719)	-	(1,136,652)
Office equipment	(137,986)	(149,721)	-	(287,707)
Other equipment	(1,659,779)	(4,139)	-	(1,663,918)
Vehicles	(1,858,467)	(77,551)	-	(1,936,018)
Infrastructure	(3,918,545)	(69,495)	-	(3,988,040)
Total accumulated depreciation	(8,633,710)	(378,625)	-	(9,012,335)
Total capital assets, being depreciated, net	4,094,664	(243,098)	-	3,851,566
Capital assets, not being depreciated				
Land	820,419	-	-	820,419
Construction in progress	-	17,533	-	17,533
Total capital assets, not being depreciated	820,419	17,533	-	837,952
Governmental Activities Capital Assets, Net	\$ 4,915,083	\$ (225,565)	\$ -	\$ 4,689,518

Business-type Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, being depreciated				
Buildings	\$ 292,162	\$ 27,487	\$ -	\$ 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	7,815,724	27,487	-	7,843,211
Less accumulated depreciation				
Buildings	(87,526)	(6,566)	-	(94,092)
Office equipment	(19,582)	(405)	-	(19,987)
Other equipment	(364,241)	(11,533)	-	(375,774)
Vehicles	(424,545)	-	-	(424,545)
Infrastructure	(4,165,014)	(134,131)	-	(4,299,145)
Total accumulated depreciation	(5,060,908)	(152,635)	-	(5,213,543)
Total capital assets, being depreciated, net	2,754,816	(125,148)	-	2,629,668
Capital assets, not being depreciated				
Land	78,055	-	-	78,055
Business-type Activities Capital Assets, Net	\$ 2,832,871	\$ (125,148)	\$ -	\$ 2,707,723

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

Governmental Activities	
General government	\$ 21,568
Public safety	88,392
Public works	179,580
Health and sanitation	36,189
Culture and recreation	52,896
Total Depreciation Expense – Governmental Activities	\$ 378,625
Business-type Activities	
Water	\$ 48,244
Sewer	104,391
Total Depreciation Expense – Business-type Activities	\$ 152,635

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 \$82,826 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 was only one connection to this section of the City’s water system during the year ended June 30, 2021.

Note 6 - Long-Term Liabilities

Long-term debt as of June 30, 2021, 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

\$ 118,309

The governmental activities notes will be repaid by the Debt Service Fund. The maturity of the notes payable for the years after June 30, 2021, based upon present arrangements, is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Government-Type Activities</u>	
	<u>U.S. Department of Agriculture Senior Citizens Facility</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 6,925	\$ 5,175
2023	7,227	4,876
2024	7,544	4,556
2025	7,874	4,226
2026	8,219	3,882
2027-2031	46,809	13,691
2032-2034	33,711	3,030
	<u>\$ 118,309</u>	<u>\$ 39,436</u>

Changes in Long-Term Liabilities

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 67,978	\$ 72,077	\$ 65,966	\$ 74,089	\$ 46,261
Notes payable	124,937	-	6,628	118,309	6,925
	<u>\$ 192,915</u>	<u>\$ 72,077</u>	<u>\$ 72,594</u>	<u>\$ 192,398</u>	<u>\$ 53,186</u>
Business-type activities					
Compensated absences	\$ 48,303	\$ 28,102	\$ 26,294	\$ 50,111	\$ 31,289

The City was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2021.

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. 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, 2021 the Statutory Employer/employee matching rate was 15.25% for Regular and 22.00% for Police/Fire. The Employer-Pay Contribution (EPC) rate for the fiscal year ending June 30, 2021, was 29.25% for Regular and 42.50% for Police/Fire.

The City’s contributions were \$177,674 for the year ended June 30, 2021.

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, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
Domestic equity	42%	5.50%
International equity	18%	5.50%
Domestic fixed income	28%	0.75%
Private markets	12%	6.65%

As of June 30, 2020, PERS' long-term inflation assumption was 2.75%. These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

Net Pension Liability

At June 30, 2021, the City reported a liability of \$2,254,622 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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 and members. At June 30, 2020, the City's proportion was 0.01619 percent, which is a decrease of 0.00022 from its proportion measured as of June 30, 2019 of 0.01641 percent.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the City as of June 30, 2020, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate.

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net pension liability	\$ 3,516,339	\$ 2,254,622	\$ 1,205,598

Pension Plan Fiduciary Net Position and Additional Information

Detailed information about the pension plan's fiduciary net position and additional information is available in the PERS Comprehensive Annual Financial Report, available on the PERS website (www.nvpers.org).

Actuarial Assumptions

The City's net pension liability was measured as of June 30, 2020, 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	2.75%
Payroll Growth	5.00%
Investment rate of return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Consumer price index	2.75%
Other assumptions	Same as those used in the June 30, 2020 and June 30, 2019 funding actuarial valuation

Mortality rates for healthy members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of six years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2020, was projected to be available to make all projected future benefit payments of current active and inactive employees. 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, 2020.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$103,922. At June 30, 2021, 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	\$ 70,050	\$ 29,113
Net difference between projected and actual earnings on pension plan investments	-	85,170
Changes in assumptions	63,330	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	2,327	284,255
City contributions subsequent to the measurement date	177,674	-
	\$ 313,381	\$ 398,538

The \$177,674 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, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 6.13 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2022	\$	(129,684)
2023		(69,652)
2024		(52,694)
2025		(6,879)
2026		(3,417)
Thereafter		(505)

Additional Information

The PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at 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, 2021 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.

	<u>Balance July 1, 2020</u>	<u>Net Change</u>	<u>Balance June 30, 2021</u>
Water system	\$ 312,015	\$ -	\$ 312,015
Water capital improvement	56,776	229	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, 2021 are as follows:

	Transfer In	Transfer Out	Net
General Fund	\$ -	\$ (2,370,000)	\$ (2,370,000)
Capital Projects Fund	300,000	-	300,000
Nonmajor Governmental Funds			
Open Door Senior Citizens Center Fund	70,000	-	70,000
Parks and Recreation Fund	-	(4,625)	(4,625)
Equestrian Center Fund	4,625	-	4,625
Utility Fund	2,000,000	-	2,000,000
	\$ 2,374,625	\$ (2,374,625)	\$ -

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. The General Fund transferred monies to the Utility Fund to help cover the cost of a major future capital asset addition. The Parks and Recreation Fund transferred monies to the Equestrian Center Fund to reimburse for certain park improvement costs.

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, 2021 is provided for the water service as follows:

Condensed Statement of Net Position

Assets	
Current assets	\$ 1,488,842
Capital assets, net of accumulated depreciation	735,198
Total assets	2,224,040
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	49,571
Deferred inflows of resources related to other postemployment benefits	3,168
Total deferred inflows of resources	52,739
Liabilities	
Current liabilities	21,240
Noncurrent liabilities	319,819
Total liabilities	341,059
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	82,369
Net Position	
Net investment in capital assets	735,198
Unrestricted	1,118,153
Total net position	\$ 1,853,351

Condensed Statement of Activities

Operating Revenues	
Charges for services	\$ 498,483
Operating Expenses	
Depreciation	48,244
Other operating expenses	468,035
Total operating expenses	516,279
Operating Income	(17,796)
Nonoperating Revenue (Expense)	
Miscellaneous income	7,546
Change in Net Position	(10,250)
Net Position, Beginning of Year	1,863,601
Net Position, End of Year	\$ 1,853,351

Condensed Statement of Cash Flows

Net cash from (used for)	
Operating activities	\$ (8,629)
Capital and related financing activities	(33,059)
Investing activities	7,546
Net Increase in Cash	(34,142)
Cash, Beginning of Year	1,475,084
Cash, End of Year	\$ 1,440,942

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, 2021.

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 \$932 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, 2020 the following employees were covered by the benefit terms:

	CCEHBP	PEBP	Total
Inactive employees or beneficiaries currently receiving benefits	-	10	10
	-	10	10
	-	10	10

Total OPEB Liability - The City's total OPEB liability of \$352,450 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

	CCEHBP	PEBP	Total
Total OPEB Liability	\$ -	\$ 352,450	\$ 352,450
	\$ -	\$ 352,450	\$ 352,450
	\$ -	\$ 352,450	\$ 352,450

Assumptions and Other Inputs - The total OPEB liability in the June 30, 2020 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	2.66%
Health care trend rates	N/A	5.80% for 2021, decreasing to an ultimate rate of 4.00% for 2024 and later years
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. Mortality rates for disabled regular members were based on the Headcount-Weighted RP-2014 Disabled Retiree Table set forward four years. Adjustments for mortality improvements were based on applying the MacLeod Watts Scale 2020 on a generational basis from 2020 forward, based on data from the Society of Actuaries Mortality Improvement Scale MP-2019 Report and the demographic assumptions used in the 2019 Annual Report of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds.

Changes in the Total OPEB Liability

	<u>CCEHBP</u>	<u>PEBP</u>	<u>Total</u>
Balance at June 30, 2020	\$ -	\$ 359,171	\$ 359,171
Changes for the year			
Interest	-	9,770	9,770
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	(3,727)	(3,727)
Changes in assumptions or other inputs	-	6,183	6,183
Benefit payments	-	(18,947)	(18,947)
Net Changes	-	(6,721)	(6,721)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 352,450</u>	<u>\$ 352,450</u>

Changes in Assumptions - PEBP changes in assumptions and other inputs reflect a change in morality and medical trend assumptions and a change in discount rate from 2.79% to 2.66%.

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 (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
PEBP OPEB Liability	<u>\$ 405,928</u>	<u>\$ 352,450</u>	<u>\$ 310,187</u>

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 (5.5%) or 1-percentage-point higher (7.5%) than the current healthcare cost trend rates:

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
PEBP OPEB Liability	<u>\$ 312,062</u>	<u>\$ 352,450</u>	<u>\$ 402,308</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the City recognized OPEB expense (negative OPEB expense) of (\$18,947):

CCEHBP	\$	-
PEBP		18,947
		18,947
	\$	18,947

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PEBP		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 18,943	\$ -	\$ 18,943	\$ -

The \$18,943 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, 2022.

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.

On June 9, 2021, the City approved a contract for HVAC project totaling \$99,900.

Note 13 - Subsequent Events

The City is in the process of being approved for funds from the American Rescue Plan Act totaling \$3,059,105.

On October 27, 2021, the City Council approved the purchase of Self Contained Breathing Apparatuses for a total of \$175,020.

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budgeted Amounts		Actual	Final Budget Variance	2020
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 453,622	\$ 453,622	\$ 437,505	\$ (16,117)	\$ 432,790
Licenses, permits and fees					
Franchise fees	12,000	12,000	12,117	117	6,954
Business licenses	15,000	15,000	18,393	3,393	18,656
Liquor licenses	5,000	5,000	4,230	(770)	5,295
Local gaming licenses	8,000	8,000	7,200	(800)	7,690
Animal licenses	2,000	2,000	5,080	3,080	1,989
Building permits	10,000	10,000	27,429	17,429	16,871
Work permits	1,000	1,000	-	(1,000)	-
Other permits and fees	-	-	1,516	1,516	2,460
	<u>53,000</u>	<u>53,000</u>	<u>75,965</u>	<u>22,965</u>	<u>59,915</u>
Intergovernmental					
Consolidated tax revenues	1,800,000	1,800,000	2,236,331	436,331	2,097,082
Motor vehicle fuel tax	50,000	50,000	51,388	1,388	50,825
Share of county gaming license	8,000	8,000	8,910	910	8,033
Infrastructure tax	-	-	44,836	44,836	44,225
Federal grants	-	-	415,828	415,828	-
	<u>1,858,000</u>	<u>1,858,000</u>	<u>2,757,293</u>	<u>899,293</u>	<u>2,200,165</u>
Charges for services					
Ambulance charges	10,000	10,000	58,731	48,731	35,318
Facility use fees	-	-	5	5	-
	<u>10,000</u>	<u>10,000</u>	<u>58,736</u>	<u>48,736</u>	<u>35,318</u>
Fines and forfeits					
Court fines and fees	12,000	12,000	12,437	437	22,191
Animal fines and fees	3,000	3,000	680	(2,320)	2,373
Other	-	-	-	-	1,226
	<u>15,000</u>	<u>15,000</u>	<u>13,117</u>	<u>(1,883)</u>	<u>25,790</u>
Miscellaneous					
Interest income	3,000	3,000	1,040	(1,960)	2,256
Other income	5,000	5,000	38,368	33,368	20,891
Sales and rentals	500	500	305	(195)	386
Leases and contracts	10,000	10,000	20,637	10,637	21,928
	<u>18,500</u>	<u>18,500</u>	<u>60,350</u>	<u>41,850</u>	<u>45,461</u>
Total revenues	<u>2,408,122</u>	<u>2,408,122</u>	<u>3,402,966</u>	<u>994,844</u>	<u>2,799,439</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budgeted Amounts		Actual	Final Budget Variance	2020
	Original	Final			
Expenditures					
Current					
General government					
Finance administration					
Salaries and wages	\$ 157,000	\$ 157,000	\$ 159,249	\$ (2,249)	\$ 147,944
Employee benefits	82,000	82,000	90,467	(8,467)	85,388
Services and supplies	21,050	21,050	13,557	7,493	27,578
Capital outlay	50,000	50,000	-	50,000	-
	<u>310,050</u>	<u>310,050</u>	<u>263,273</u>	<u>46,777</u>	<u>260,910</u>
Legislative					
Salaries and wages	14,500	14,500	13,020	1,480	13,020
Employee benefits	7,000	7,000	4,567	2,433	4,481
Services and supplies	6,000	6,000	1,140	4,860	1,582
Capital Outlay	-	-	2,474	(2,474)	-
	<u>27,500</u>	<u>27,500</u>	<u>21,201</u>	<u>6,299</u>	<u>19,083</u>
Other					
Services and supplies	714,100	714,100	460,082	254,018	387,732
Capital outlay	-	-	-	-	25,792
	<u>714,100</u>	<u>714,100</u>	<u>460,082</u>	<u>254,018</u>	<u>413,524</u>
City manager					
Salaries and wages	65,000	65,000	67,832	(2,832)	60,795
Employee benefits	25,000	25,000	14,187	10,813	12,848
Services and supplies	4,500	4,500	3,094	1,406	3,222
	<u>94,500</u>	<u>94,500</u>	<u>85,113</u>	<u>9,387</u>	<u>76,865</u>
Total general government	<u>1,146,150</u>	<u>1,146,150</u>	<u>829,669</u>	<u>316,481</u>	<u>770,382</u>
Public safety					
Police					
Salaries and wages	400,000	400,000	362,017	37,983	359,921
Employee benefits	269,000	269,000	215,242	53,758	197,768
Services and supplies	134,100	134,100	134,571	(471)	119,434
Capital outlay	50,000	50,000	45,464	4,536	4,045
	<u>853,100</u>	<u>853,100</u>	<u>757,294</u>	<u>95,806</u>	<u>681,168</u>
Animal control					
Salaries	36,000	36,000	36,167	(167)	35,486
Employee benefits	23,000	23,000	22,791	209	22,255
Services and supplies	3,000	3,000	1,660	1,340	720
	<u>62,000</u>	<u>62,000</u>	<u>60,618</u>	<u>1,382</u>	<u>58,461</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budgeted Amounts		Actual	Final Budget Variance	2020
	Original	Final			
Fire and ambulance					
Salaries	\$ 60,000	\$ 60,000	\$ 48,010	\$ 11,990	\$ 62,604
Employee benefits	40,000	40,000	30,270	9,730	29,984
Services and supplies	119,500	119,500	91,984	27,516	91,358
Capital outlay	76,000	76,000	8,800	67,200	1,773
	<u>295,500</u>	<u>295,500</u>	<u>179,064</u>	<u>116,436</u>	<u>185,719</u>
Total public safety	<u>1,210,600</u>	<u>1,210,600</u>	<u>996,976</u>	<u>213,624</u>	<u>925,348</u>
Judicial					
Municipal court					
Salaries and wages	35,000	35,000	23,596	11,404	33,992
Employee benefits	15,400	15,400	8,073	7,327	13,990
Services and supplies	5,800	5,800	3,148	2,652	2,392
Capital outlay	8,000	8,000	1,702	6,298	2,816
Total judicial	<u>64,200</u>	<u>64,200</u>	<u>36,519</u>	<u>27,681</u>	<u>53,190</u>
Public works					
Highways and streets					
Salaries and wages	46,000	46,000	44,993	1,007	41,622
Employee benefits	28,000	28,000	29,839	(1,839)	27,785
Services and supplies	183,500	183,500	65,321	118,179	94,045
Capital outlay	230,000	230,000	38,425	191,575	13,041
Total public works	<u>487,500</u>	<u>487,500</u>	<u>178,578</u>	<u>308,922</u>	<u>176,493</u>
Health and sanitation					
Public health administration					
Services and supplies	21,000	21,000	-	21,000	11,878
Cemetery					
Salaries and wages	39,000	39,000	37,482	1,518	34,503
Employee benefits	18,500	18,500	19,988	(1,488)	19,087
Services and supplies	8,000	8,000	5,370	2,630	5,239
Total health and sanitation	<u>65,500</u>	<u>65,500</u>	<u>62,840</u>	<u>2,660</u>	<u>58,829</u>
Total health and sanitation	<u>86,500</u>	<u>86,500</u>	<u>62,840</u>	<u>23,660</u>	<u>70,707</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budgeted Amounts		Actual	Final Budget Variance	2020
	Original	Final			
Culture and recreation					
Parks					
Services and supplies	\$ 18,000	\$ 18,000	\$ 12,362	\$ 5,638	\$ 15,098
Capital outlay	65,000	65,000	-	65,000	6,363
	<u>83,000</u>	<u>83,000</u>	<u>12,362</u>	<u>70,638</u>	<u>21,461</u>
Library					
Services and supplies	<u>2,700</u>	<u>2,700</u>	<u>3,016</u>	<u>(316)</u>	<u>2,914</u>
Total culture and recreation	<u>85,700</u>	<u>85,700</u>	<u>15,378</u>	<u>70,322</u>	<u>24,375</u>
Total expenditures	<u>3,080,650</u>	<u>3,080,650</u>	<u>2,119,960</u>	<u>960,690</u>	<u>2,020,495</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(672,528)</u>	<u>(672,528)</u>	<u>1,283,006</u>	<u>1,955,534</u>	<u>778,944</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	17,500
Transfers out	(2,370,000)	(2,370,000)	(2,370,000)	-	(420,000)
Contingency	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,440,000)</u>	<u>(2,440,000)</u>	<u>(2,370,000)</u>	<u>70,000</u>	<u>(402,500)</u>
Net Change in Fund Balance	<u>(3,112,528)</u>	<u>(3,112,528)</u>	<u>(1,086,994)</u>	<u>2,025,534</u>	<u>376,444</u>
Fund Balance, Beginning of Year	<u>4,439,040</u>	<u>4,439,040</u>	<u>5,806,796</u>	<u>1,367,756</u>	<u>5,430,352</u>
Fund Balance, End of Year	<u>\$ 1,326,512</u>	<u>\$ 1,326,512</u>	<u>\$ 4,719,802</u>	<u>\$ 3,393,290</u>	<u>\$ 5,806,796</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

	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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,727)</u>	<u>\$ 114,727</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ 897,280
Total OPEB Liability as a Percentage of Covered Payroll	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.

City of Carlin

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

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

Notes to Schedule:

Changes of Assumptions: 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*

	2020	2019	2018	2017	2016	2015	2014
City's portion of the net pension liability	0.01619%	0.01641%	0.01653%	0.01944%	0.01992%	0.02078%	0.02057%
City's proportionate share of the net pension liability	\$ 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	\$ 1,100,523	\$ 1,033,736	\$ 1,063,064	\$ 1,125,719	\$ 1,013,674	\$ 1,141,555	\$ 1,061,682
City's proportionate share of the net pension liability as a percentage of its covered payroll	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	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.

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

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 177,674	\$ 172,414	\$ 157,254	\$ 161,000	\$ 174,622	\$ 168,881	\$ 160,391
Contributions in relation to the statutorily required contribution**	\$ 177,674	\$ 172,414	\$ 157,254	\$ 161,000	\$ 174,622	\$ 168,881	\$ 160,391
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 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	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, 2021

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, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budgeted Amounts		Actual	Final Budget Variance	2020
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 20,000	\$ 20,000	\$ 39,888	\$ 19,888	\$ 39,759
Miscellaneous					
Donations	-	-	-	-	3,270
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>39,888</u>	<u>19,888</u>	<u>43,029</u>
Expenditures					
Current					
General government					
Finance administration					
Capital outlay	-	-	-	-	15,575
Public safety					
Fire and ambulance					
Capital outlay	300,000	300,000	17,534	282,466	-
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>17,534</u>	<u>282,466</u>	<u>15,575</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(280,000)</u>	<u>(280,000)</u>	<u>22,354</u>	<u>302,354</u>	<u>27,454</u>
Other Financing (Uses)					
Transfers in	300,000	300,000	300,000	-	350,000
Net Change in Fund Balance	20,000	20,000	322,354	302,354	377,454
Fund Balance, Beginning of Year	717,034	717,034	1,009,488	292,454	632,034
Fund Balance, End of Year	<u>\$ 737,034</u>	<u>\$ 737,034</u>	<u>\$ 1,331,842</u>	<u>\$ 594,808</u>	<u>\$ 1,009,488</u>

City of Carlin
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	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
Assets											
Cash	\$ 35,434	\$ 188,898	\$ 286,537	\$ 5,630	\$ 12,164	\$ 88,085	\$ 85,890	\$ 109,896	\$ 29,026	\$ 59,989	\$ 901,549
Accounts receivable, net	-	114	3,052	90	363	-	-	-	-	-	3,619
Due from other governments	32,213	22,970	-	-	-	-	-	-	-	-	55,183
Prepaid expenses	-	1,668	-	-	-	-	-	-	-	-	1,668
Restricted cash	-	-	-	-	-	-	-	-	12,100	33,004	45,104
Total assets	\$ 67,647	\$ 213,650	\$ 289,589	\$ 5,720	\$ 12,527	\$ 88,085	\$ 85,890	\$ 109,896	\$ 41,126	\$ 92,993	\$ 1,007,123
Liabilities											
Accounts payable	\$ -	\$ 2,339	\$ 872	\$ -	\$ -	\$ 254	\$ 75	\$ -	\$ 12,100	\$ -	\$ 15,640
Due to other governments	-	-	255	-	300	-	-	-	-	-	555
Unearned revenue - grants	13,361	-	-	-	-	-	-	-	-	-	13,361
Total liabilities	13,361	2,339	1,127	-	300	254	75	-	12,100	-	29,556
Deferred Inflows of Resources											
Unavailable grant revenue	32,213	-	-	-	-	-	-	-	-	-	32,213
Fund Balance											
Nonspendable	-	1,668	-	-	-	-	-	-	-	33,004	34,672
Restricted for											
Debt service	-	-	-	-	-	-	-	-	12,100	-	12,100
Perpetual cemetery care	-	-	-	-	-	-	-	-	-	59,989	59,989
Senior center	-	3,872	-	-	-	-	-	-	-	-	3,872
Court facilities fees (NRS 176.0611)	-	-	-	5,720	-	-	-	-	-	-	5,720
Judicial fees (NRS 176.059)	-	-	-	-	12,227	-	-	-	-	-	12,227
Committed for											
Future community development	-	-	66,950	-	-	-	-	-	-	-	66,950
Recreational activities	-	-	221,512	-	-	87,831	-	-	-	-	309,343
Public safety	-	-	-	-	-	-	-	109,896	-	-	109,896
Assigned											
Subsequent year operations	-	132,600	-	-	-	-	-	-	-	-	132,600
Other purposes	22,073	73,171	-	-	-	-	85,815	-	16,926	-	197,985
Total fund balance	22,073	211,311	288,462	5,720	12,227	87,831	85,815	109,896	29,026	92,993	945,354
Total Liabilities and Fund Balance	\$ 67,647	\$ 213,650	\$ 289,589	\$ 5,720	\$ 12,527	\$ 88,085	\$ 85,890	\$ 109,896	\$ 41,126	\$ 92,993	\$ 1,007,123

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2021

	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
Revenues											
Taxes	\$ -	\$ -	\$ 41,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,430
Intergovernmental	3,000	164,478	-	-	-	-	-	-	-	-	167,478
Charges for services	-	12,914	-	-	-	-	-	-	-	-	12,914
Miscellaneous	-	10,835	-	1,210	7,776	11,621	11,567	9,681	-	1,506	54,196
Total revenues	3,000	188,227	41,430	1,210	7,776	11,621	11,567	9,681	-	1,506	276,018
Expenditures											
Current											
Public safety	-	-	-	-	-	-	-	566	-	-	566
Judicial	-	-	-	-	6,795	-	-	-	-	-	6,795
Culture and recreation	-	227,843	3,459	-	-	6,986	7,006	-	-	-	245,294
Capital outlay	32,213	-	-	-	-	4,625	4,625	-	-	-	41,463
Debt service											
Principal	-	-	-	-	-	-	-	-	6,628	-	6,628
Interest	-	-	-	-	-	-	-	-	5,472	-	5,472
Total expenditures	32,213	227,843	3,459	-	6,795	11,611	11,631	566	12,100	-	306,218
Excess (Deficiency) of Revenues Over Expenditures	(29,213)	(39,616)	37,971	1,210	981	10	(64)	9,115	(12,100)	1,506	(30,200)
Other Financing Sources (Uses)											
Transfers in	-	70,000	-	-	-	-	4,625	-	-	-	74,625
Transfers out	-	-	(4,625)	-	-	-	-	-	-	-	(4,625)
Total other financing sources (uses)	-	70,000	(4,625)	-	-	-	4,625	-	-	-	70,000
Net Change in Fund Balance	(29,213)	30,384	33,346	1,210	981	10	4,561	9,115	(12,100)	1,506	39,800
Fund Balances, Beginning of Year	51,286	180,927	255,116	4,510	11,246	87,821	81,254	100,781	41,126	91,487	905,554
Fund Balances, End of Year	\$ 22,073	\$ 211,311	\$ 288,462	\$ 5,720	\$ 12,227	\$ 87,831	\$ 85,815	\$ 109,896	\$ 29,026	\$ 92,993	\$ 945,354

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
 Grants Fund
 Year Ended June 30, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Intergovernmental				
Grants	\$ 130,000	\$ 3,000	\$ (127,000)	\$ 64,205
Expenditures				
Current				
Public safety				
Services and supplies	-	-	-	6,076
Capital outlay	130,000	32,213	97,787	61,811
Total expenditures	130,000	32,213	97,787	67,887
Net Change in Fund Balance	-	(29,213)	(29,213)	(3,682)
Fund Balance (Deficit), Beginning of Year	54,968	51,286	(3,682)	54,968
Fund Balance, End of Year	<u>\$ 54,968</u>	<u>\$ 22,073</u>	<u>\$ (32,895)</u>	<u>\$ 51,286</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budget	Actual	Variance	2020
Revenues				
Intergovernmental				
Federal grants	\$ 55,000	\$ 57,605	\$ 2,605	\$ 53,290
Cash match	132,000	96,578	(35,422)	101,011
USDA	10,000	10,295	295	1,888
	<u>197,000</u>	<u>164,478</u>	<u>(32,522)</u>	<u>156,189</u>
Charges for services	<u>30,300</u>	<u>12,914</u>	<u>(17,386)</u>	<u>19,138</u>
Miscellaneous				
Contributions	2,500	10,730	8,230	6,317
In-kind revenue	2,500	105	(2,395)	1,009
	<u>5,000</u>	<u>10,835</u>	<u>5,835</u>	<u>7,326</u>
Total revenues	<u>232,300</u>	<u>188,227</u>	<u>(44,073)</u>	<u>182,653</u>
Expenditures				
Current				
Culture and recreation				
Salaries and wages	128,000	96,651	31,349	99,348
Employee benefits	103,000	65,189	37,811	67,887
Services and supplies	105,500	66,003	39,497	69,940
Capital outlay	-	-	-	462
Total expenditures	<u>336,500</u>	<u>227,843</u>	<u>108,657</u>	<u>237,637</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(104,200)</u>	<u>(39,616)</u>	<u>64,584</u>	<u>(54,984)</u>
Other Financing Sources (Uses)				
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Net Change in Fund Balance	(34,200)	30,384	64,584	15,016
Fund Balance, Beginning of Year	<u>166,861</u>	<u>180,927</u>	<u>14,066</u>	<u>165,911</u>
Fund Balance, End of Year	<u>\$ 132,661</u>	<u>\$ 211,311</u>	<u>\$ 78,650</u>	<u>\$ 180,927</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Parks and Recreation Fund
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Taxes				
Room tax revenues	\$ 20,500	\$ 41,430	\$ 20,930	\$ 27,915
Expenditures				
Current				
Culture and recreation Services and supplies	2,000	3,459	(1,459)	2,331
Excess (Deficiency) of Revenues over (under) Expenditures	18,500	37,971	19,471	25,584
Other Financing Sources (Uses)				
Transfers out	(15,000)	(4,625)	10,375	(30,000)
Net Change in Fund Balance	3,500	33,346	29,846	(4,416)
Fund Balance, Beginning of Year	277,532	255,116	(22,416)	259,532
Fund Balance, End of Year	<u>\$ 281,032</u>	<u>\$ 288,462</u>	<u>\$ 7,430</u>	<u>\$ 255,116</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Municipal Court Building Fund
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Miscellaneous				
Building assessments	\$ 2,500	\$ 1,210	\$ (1,290)	\$ 3,165
Other Financing Sources (Uses)				
Transfers out	-	-	-	(7,500)
Net Change in Fund Balance	2,500	1,210	(1,290)	(4,335)
Fund Balance, Beginning of Year	3,845	4,510	665	8,845
Fund Balance, End of Year	<u>\$ 6,345</u>	<u>\$ 5,720</u>	<u>\$ (625)</u>	<u>\$ 4,510</u>

City of Carlin

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

Administrative Assessment Fund

Year Ended June 30, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Miscellaneous				
Administrative assessments	\$ 11,200	\$ 7,776	\$ (3,424)	\$ 18,459
Expenditures				
Current				
Judicial				
Services and supplies	10,500	6,795	3,705	16,367
Net Change in Fund Balance	700	981	281	2,092
Fund Balance, Beginning of Year	10,154	11,246	1,092	9,154
Fund Balance, End of Year	<u>\$ 10,854</u>	<u>\$ 12,227</u>	<u>\$ 1,373</u>	<u>\$ 11,246</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, 2021

(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Miscellaneous				
Other income	<u>\$ 15,000</u>	<u>\$ 11,621</u>	<u>\$ (3,379)</u>	<u>\$ 12,766</u>
Expenditures				
Current				
Culture and recreation				
Parks				
Services and supplies	21,000	6,986	14,014	14,468
Capital outlay	<u>5,000</u>	<u>4,625</u>	<u>375</u>	<u>-</u>
Total expenditures	<u>26,000</u>	<u>11,611</u>	<u>14,389</u>	<u>14,468</u>
Net Change in Fund Balance	(11,000)	10	11,010	(1,702)
Fund Balance, Beginning of Year	<u>59,523</u>	<u>87,821</u>	<u>28,298</u>	<u>89,523</u>
Fund Balance, End of Year	<u><u>\$ 48,523</u></u>	<u><u>\$ 87,831</u></u>	<u><u>\$ 39,308</u></u>	<u><u>\$ 87,821</u></u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Equestrian Center Fund
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Miscellaneous				
Other income	\$ 40,000	\$ 11,567	\$ (28,433)	\$ 21,192
Expenditures				
Current				
Culture and recreation				
Parks				
Services and supplies	25,000	7,006	17,994	21,994
Capital outlay	30,000	4,625	25,375	-
Total expenditures	55,000	11,631	43,369	21,994
Excess (Deficiency) of Revenues over (under) Expenditures	(15,000)	(64)	14,936	(802)
Other Financing Sources				
Transfers in	15,000	4,625	(10,375)	20,000
Net Change in Fund Balance	-	4,561	4,561	19,198
Fund Balance, Beginning of Year	67,056	81,254	14,198	62,056
Fund Balance, End of Year	<u>\$ 67,056</u>	<u>\$ 85,815</u>	<u>\$ 18,759</u>	<u>\$ 81,254</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Police Forfeiture Fund
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Fines and forfeits				
Forfeitures	\$ 10,000	\$ 9,681	\$ (319)	\$ -
Expenditures				
Current				
Public safety				
Police				
Services and supplies	12,000	566	11,434	-
Capital outlay	-	-	-	7,452
Total expenditures	<u>12,000</u>	<u>566</u>	<u>11,434</u>	<u>7,452</u>
Excess (Deficiency of Revenues over (under) Expenditures	<u>(2,000)</u>	<u>9,115</u>	<u>11,115</u>	<u>(7,452)</u>
Net Change in Fund Balance	(2,000)	9,115	11,115	(7,452)
Fund Balance, Beginning of Year	<u>96,233</u>	<u>100,781</u>	<u>4,548</u>	<u>108,233</u>
Fund Balance, End of Year	<u>\$ 94,233</u>	<u>\$ 109,896</u>	<u>\$ 15,663</u>	<u>\$ 100,781</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Debt Service Fund
Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Expenditures				
Debt service				
Principal	\$ 6,628	\$ 6,628	\$ -	\$ 6,350
Interest	<u>5,472</u>	<u>5,472</u>	<u>-</u>	<u>5,750</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>41,126</u>	<u>41,126</u>	<u>-</u>	<u>53,226</u>
Fund Balance, End of Year	<u><u>\$ 29,026</u></u>	<u><u>\$ 29,026</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 41,126</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020</u>
Revenues				
Miscellaneous				
Contributions from individuals	\$ 3,000	\$ 1,475	\$ (1,525)	\$ 979
Interest income	<u>100</u>	<u>31</u>	<u>(69)</u>	<u>70</u>
Total revenues	<u>3,100</u>	<u>1,506</u>	<u>(1,594)</u>	<u>1,049</u>
Net Change in Fund Balance	3,100	1,506	(1,594)	1,049
Fund Balance, Beginning of Year	<u>93,538</u>	<u>91,487</u>	<u>(2,051)</u>	<u>90,438</u>
Fund Balance, End of Year	<u>\$ 96,638</u>	<u>\$ 92,993</u>	<u>\$ (3,645)</u>	<u>\$ 91,487</u>

City of Carlin

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Utility Fund
 Year Ended June 30, 2021
 (With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Budget	Actual	Variance	2020
Operating Revenues				
Utility fees				
Water	\$ 406,000	\$ 498,483	\$ 92,483	\$ 448,624
Garbage	240,000	256,180	16,180	252,265
Sewer	321,000	336,507	15,507	331,517
Street lights				
Use fees	25,000	29,926	4,926	30,286
Total operating revenues	<u>992,000</u>	<u>1,121,096</u>	<u>129,096</u>	<u>1,062,692</u>
Operating Expenses				
Water				
Salaries and wages	158,000	202,063	(44,063)	188,262
Employee benefits	77,000	92,965	(15,965)	92,777
Services and supplies	84,400	74,122	10,278	58,835
	<u>319,400</u>	<u>369,150</u>	<u>(49,750)</u>	<u>339,874</u>
Garbage				
Services and supplies	88,500	105,204	(16,704)	104,369
Sewer				
Salaries and wages	135,000	117,146	17,854	109,274
Employee benefits	51,000	54,987	(3,987)	52,563
Services and supplies	83,300	62,674	20,626	55,583
	<u>269,300</u>	<u>234,807</u>	<u>34,493</u>	<u>217,420</u>
General				
Services and supplies	285,500	222,395	63,105	243,226
Depreciation	160,000	152,635	7,365	150,318
	<u>445,500</u>	<u>375,030</u>	<u>70,470</u>	<u>393,544</u>
Total operating expenses	<u>1,122,700</u>	<u>1,084,191</u>	<u>38,509</u>	<u>1,055,207</u>
Operating Income (Loss)	<u>(130,700)</u>	<u>36,905</u>	<u>167,605</u>	<u>7,485</u>
Nonoperating Revenues				
Interest and penalties earned	18,000	16,970	(1,030)	18,389
Miscellaneous income	500	-	(500)	-
Total nonoperating revenues (expenses)	<u>18,500</u>	<u>16,970</u>	<u>(1,530)</u>	<u>18,389</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(112,200)</u>	<u>53,875</u>	<u>166,075</u>	<u>25,874</u>
Capital contributions	-	-	-	1,000
Transfer in	2,000,000	2,000,000	-	-
Change in Net Position	<u>\$ 1,887,800</u>	<u>2,053,875</u>	<u>\$ 166,075</u>	<u>26,874</u>
Net Position, Beginning of Year		<u>4,551,906</u>		<u>4,525,032</u>
Net Position, End of Year		<u>\$ 6,605,781</u>		<u>\$ 4,551,906</u>

City of Carlin
 Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989
 Year Ended June 30, 2021

Flat Fixed Fees		
Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2020	\$	<u>44,193</u>
Adjustment of Base		
Base year		
1. Percentage increase in population of local government	0.00%	
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>1.2%</u>	<u>1.2%</u>
		<u>530</u>
Adjusted base at June 30, 2021		44,723
Actual revenue		<u>18,393</u>
Amount under allowable amount	\$	<u><u>26,330</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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 10, 2021.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (2021-002).

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency (2021-001).

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

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City'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 Sully LLP". The signature is written in a cursive, flowing style.

Elko, Nevada
December 10, 2021

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.

**2021-002 Ambulance Billings
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal controls over financial reporting. One of the key components of an effective system of internal control is the ability to ensure that accounting records accurately reflect the activities and transactions of the City.

Condition: During our audit procedures, we noted that three out of twenty-five ambulance bills tested were not accurate based on the services rendered. One was underbilled by \$146, the second was underbilled by \$360, and the third was overbilled by \$375. These billings were not accurate because the information provided to the third-party biller to prepare the bill was not accurate.

Cause: Internal controls in place were not sufficient to ensure that all billable ambulance calls are billed in a timely manner and that the information provided to the third-party biller is accurate.

Effect: Improper reporting of ambulance revenue and receivables.

Recommendation: We recommend that the City enhance internal controls over ambulance billing to ensure that all ambulances calls are billed in a timely manner and accurate information is provided to the third-party biller.

Management's Response: Management understands the importance of correcting this deficiency. Internal controls for the Ambulance Billings will be updated and sufficient to ensure the information provided to the third-party biller is accurate. The Ambulance Department will also be reviewing third-party bills for accuracy.



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, 2021, 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

The City of Carlin conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2020.

Disposition of Prior Year Recommendations

Prior year audit findings were implemented, with the exception of finding 2020-001 and 2020-002 which are included in the current year as findings 2021-001 and 2021-002.

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
December 10, 2021