# NEVADA COMMISSION FOR CULTURAL CENTERS AND HISTORIC PRESERVATION (CCCHP) GRANT APPLICATION FOR FY2021-2022

For SHPO use only
Initials: 00
Received:02-28-22
Postmarked 2 -2 -2
Delivery Svc:
LISPS

# APPLICATION COVER PAGE (This unaltered form must be submitted with the application.)

Applicant Organization:City of Ely	
EIN (Taxpayer Identification Number): 88-60001	92
Mailing Address: 501 Mill Street	
City: Ely County: White	Pine ZIP: 89301
Project Contact: Nathan Robertson T	itle: Mayor
Davtime Phone: (775) 293-0010 E	vening Phone: same
Fax: none E	mail: mayor@cityofelynv.gov
Fax: E Property Owner Name and Address: City of Ely	501 Mill Street Ely, NV 89301
Project Title: Ely City Hall - Project Design	, Architecture & Engineering
Project Address: 501 Mill Street	
City: Ely Cou	nty: White Pine ZIP: 89301
Historic Property Name: <u>Ely City Hall</u> Property Insured:	
Project Synopsis (brief): Complete building prog for total renovation of the building. D life safety issues, accessibility, and	esign to contemplate historic preservation
Proposed Start Date: December 2022	Proposed End Date: December 2023
Project Budget Summary: Amount Requested: \$ 300,000	Applicant's authorized signature:
Proposed Match: Cash \$50,000	Name (please print): Nathan Robertson
In-Kind/Donations: \$ 4,903.92	Title: Mayor
Total Project Budget: \$354,903.92	Date: 02/24/2022

# I HAVE READ THE 2021-2022 CCCHP APPLICATION GRANTS MANUAL\*

# \*PLEASE NOTE—IF THIS PAGE IS NOT SIGNED, THE APPLICATION IS CONSIDERED INCOMPLETE, AND CANNOT MOVE FORWARD IN THE FUNDING PROCESS.\*

I HAVE READ THE GRANTS MANUAL AND COMPLETED THIS CCCHP APPLICATION FOR 2021-2022 AND CERTIFY THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Applicant's authorized signature:

Title: Mayor

Name (please print): \_\_\_\_Nathan Robertson

Date: 02/24/2022

Parcel Details for 00128304

White Pine County Nevada Property Information						
Tax Year	2022 -	Acreage				
Land Use	COM	Assessed	364,398			
Group	2.700	Value				
Land Use	400 - General	Tax Rate	0.0000			
	Commercial	Total Tax	\$0.00			
Zoning		Fiscal Year				
Tax District	012	(2022 - 2023)				
Site Address	501 MILL STREET ELY,	<b>Total Unpaid</b>	\$0.00			
	NV 89301	All Years				
			Pay Taxes			



Parcel Details for 00128304

Assessments				
Taxable Value	Land	Building	Per. Property	Totals
Residential	0	0	0	0
Com / Ind.	0	0	0	C
Agricultural	0	0	0	C
Exempt	41,593	999,542	0	1,041,135
Pers. Exempt				C
Total	0	0	0	0
Assessed Value	Land	Building	Per. Property	Totals
Residential	0	0	0	(
Com / Ind.	0	0	0	
Agricultural	0	0	0	
Exempt	14,558	349,840	0	364,398
Pers. Exempt				(
Total	0	0	0	
	New Land	New Const.	New P.P.	Omit Bldg
Residential	0	0	0	S (
Com / Ind.	0	0	0	1
Agricultural	0	0	0	
Exempt	0	0	0	1
Totals	0	0	0	

No Taxing Entity Information

Sale	es History					_
Year	Document #	Document Type	Sale Date	Sold By	Sold To	Price
2014	366455	RECORD OF SURVEY	6/20/2014			\$0

Parcel Genea	alogy				
Relationship	Parcel Number	Action	Year	Change Effective Year	Completed
Parent Parcel	00128301	Split	2015	2015	Yes

Property Map

View Full Screen



#### Part II – Narrative Description

This proposed project aims to complete the design, including the architecture and engineering, for the complete renovation of the Ely City Hall building. The end goal will be to have a complete set of construction drawings and costs estimates to be able plan for the phasing of the complete project and for fund raising.

- 1. Project Description.
  - What building(s) are you restoring/ rehabilitating?
    - The Ely, Nevada City Hall and Fire Station located at 501 Mill St.
  - What is the historical significance of the property?
    - The City Hall has been serving the City of Ely since 1928 as not only the center of city government, but also providing a variety of community services over the years. These have included, police station, jail, fire department, community meeting space as well as the local library. Additionally the building, as well as the fire hall addition, was designed by a local professional during an era when there weren't many design professionals in rural Nevada. The building has been the location of many school field trips over the decades and is a key component both visually as well as historically to the fabric of downtown Ely, Nevada.

#### How do you propose to restore/ rehabilitate it?

- Having a complete set of architecture and engineering plans will allow the City of Ely to budget and fundraise for renovation of the Ely City Hall. The planning processes that we are seeking funding for here will also ensure that the plan fits the City and the communities needs. Professional planning will also ensure that the renovation that gets planned meets the standards of the Secretary of the Interior for historic preservation and the standards of the State Historic Preservation Office.
- Who will be doing the work?
  - The work as it relates to this grant application will be completed by licensed design professionals and engineers who are experienced designing work for public, historic structures.
- What is the timeline for the project?
  - The City will start seeking statements of qualification from qualified firms and professionals as soon as we receive permission from the CCCHP administrators to proceed.
  - We anticipate that the selected firm will be able to start soon after the start of the spring of 2023 assuming we are allowed to proceed with solicitations of SOQ's in the fall of 2022.
- Who holds the title to the property?
  - The City of Ely (an incorporated municipality in the State of Nevada) holds the title to this building.

#### 2. Building Use/ Community Involvement

- How and by whom will the facility be used?
  - The facility will be used by the City of Ely for administrative offices as well as for government functions such as city council meetings, employee trainings, committee meetings, etc... The building will also be used by community organizations for display of locally relevant works of art and artifacts. The building is also intended to be used by the community at large for group meetings and social events upon completion of the renovation.
- Who will be responsible for management of the building and its programs/activities?
  - The City of Ely will be responsible for management of the building and its programs/ activities.
- How has the community been involved in your project?
  - The driving force behind the planning and instigation of this project has been community members and organizations. A committee comprised of local professionals and various community members who either represent an organization with interest in the project or are concerned citizens has been organized by the City to plan, seek funding, and advise the city council on this project.
- How will the community continue to be involved in your project?
  - The City will hold public hearings during the program scoping part of the design process to collect public input. As stated we aim to make this a cultural focal point of not just the downtown area, but of the City of Ely at large.
- How will the community continue to be involved in the use of the building?
  - We aim to complete a renovation of the building that will provide space for display of locally relevant art and artifacts as well as provide meeting space for local organizations and groups. The Ely City Hall as well as the adjoining park has historically been a destination for school field trips. By making space for cultural displays of art and local artifacts we would continue to make this an educational experience for not only school children, but those coming to conduct business with the City. By providing meeting space, better utility, and integration with the park we'd be making the City Hall an ideal place for community groups to meet and hold events. We'd also be providing better amenities for events that already happen at the park in the vicinity of City Hall including preserving the historic character of the downtown area which is why many people return to Ely as tourists.
- How are your restoration/rehabilitation plans related to the uses of the building?
  - Our plans are specifically aimed at preserving the historical integrity and character
    of the building while also supporting the realities of conducting City business in the
    new century. ie preserving the integrity and character while providing compliance
    with modern safety and accessibility regulations and modern utilities and services.
    This specific grant application will allow the City to engage with design and
    engineering professionals who specialize in these kinds of projects.

# Of What importance to tourism (cultural or otherwise) will the facility have?

 As previously stated there are a number of annual events that already take place in the vicinity of the City Hall including class reunions, mountain bike races, car shows, car races, etc... As businesses leave the downtown area it is vitally important that the city maintain not only the needed facilities to continue holding events in the area, but that the city revitalize its property so that tourists who are already staying in the downtown area or are there for an event have an opportunity to be exposed to the local history. Investing in City properties and facilities also makes it an attractive area for businesses to re-located to.

## 3. Project Support/ Financial

- What Specific contributions (cash, land, labor, materials, etc.) your community and other sources have already made to the project?
  - Repair of the concrete steps at the main entrance using community service workers.
  - The City contributed \$30,000 to the previously completed Historic Structures Report.
  - The City received a CCCHP grant in 2017 for \$84,000 which was used to complete a
    Historic Structures Report, support the building's nomination to the State and
    National Register of Historic Places and provide some emergency repairs to the
    flashing on the roof which was covering some badly deteriorated concrete
    (proposed to be replaced in this grant). In the intervening years the City has
    performed various repairs and maintenance making use of community service
    workers and City staff.
- What grants and additional funding (last three years), including amounts, has the organization received for this project?
  - The City was awarded a CCCHP grant in 2020 in the amount of \$70,000 to complete repairs to the original windows on the building's second story as well as masonry repairs to windowsills and the parapet top course. This project is still in progress.
  - The City has applied for, and was awarded, an additional \$20,000 grant from the Great Basin Heritage Area to assist with the current CCCHP grant objectives.
- What additional contributions are projected in order to complete the project?
  - This phase of the project for architecture and engineering is anticipated to cost in the neighborhood of \$350,000. The \$300,000 grant from the CCCHP program will be used together with various City funds to complete this phase. The City is anticipating possible use of ARPA funding, redevelopment funds or use of the City's general funds to complete the design phase.
- How will your facility sustain itself financially in the future?
  - This building will be sustained as a facility of the City of Ely, i.e. maintenance and repairs will be carried out by city personnel or contractors and paid for from the appropriate city budgets. It is also anticipated that community groups will be charged a nominal fee for use of the space and facilities.
- Please provide evidence that you can implement the project and maintain a viable program in the future.

The city of Ely has been an incorporated entity since 1907 and has demonstrated its staying power through the boom and bust cycles of the mining economy. The City has pledged its support for this project in the committing of funds. The city has been involved in ongoing clean-up and beautification projects over the past years.
 Furthermore, local organizations providing input on this project such as the Ely Renaissance Society and White Pine Main Street have been involved with local preservation and cultural endeavors for more than 15 years. Conversely the City has been a large supporter of the activities of these organizations.

#### 4. Planning

- If your project includes planning, please describe the process.
  - This project being considered is all planning. No construction is being considered as part of this application. The planning we are proposing to complete would include programing (use needs), redesign of building utilities, address needed seismic retrofits/ structure safety, life safety systems, and completing these priorities in a way that protects the historical elements/ character of the building.
- Who will participate in the planning?
  - The City of Ely as an entity will certainly participate in the planning, as well as the community at large through public meetings. The planning will be conducted by qualified design professionals.
- Who will coordinate it?
  - Coordination of the planning will be principally overseen by the City of Ely.
- How will the community be involved?
  - The City plans to hold public hearings and seek community input.
- If your project is based on previous planning, please describe.
  - The planning for the project will be based on measures proposed in the Historic Structures report that was completed in 2017 to preserve historic elements of the structure.

# **Exterior Photographs**



# East elevation looking West.



South elevation looking North.



West elevation looking East.



North elevation looking East/ Northeast.

Interior photos and floor plan - see included, digital historic structures report.

# MISSION STATEMENT – City of Ely/ City Hall Renovation

Mission Statement:

Advocated and provide for the preservation of the Ely City Hall's history and character to the end that building can continue to function as the administrative government offices of the City of Ely as well as continue to play a central role as a community facility providing space for community events and cultural and historic displays.

The City of Ely has been an incorporated municipality since 1907.

# **Report on CCCHP Grants**

The City of Ely is currently in the process of completing a CCCHP grant. This current grant has completed the following items:

- Replace 6 concrete masonry windowsills that had failed.
- Removed interior storm windows that were interfering with the operation of the original windows.
- Repair and added weatherstripping to 14 original windows on the second floor. Cleaning and
  repainting the frames. Replacing and repairing the pulley and weight systems. Original sashes
  were found to be in a very deteriorated state. 28 sashes were rebuilt using the original sashes as
  patterns. Original hardware was cleaned and reused where possible. Colors for exterior paint on
  the frames and sashes were chosen based on the bottom layer of paint and by examining old
  photos of the building. Interior surfaces were stained to match existing woodwork. The 8 best of
  the original sashes were saved for future use elsewhere in the building.

There remains replacement of the concrete parapet course on the top of the building to be done. This concrete is badly deteriorated and is currently covered by metal flashing which is itself failing. We are waiting for quotes from two selected contractors and possible schedule dates to complete this work. Upon completion this grant will have weatherized and protected the masonry exterior of the building and saved 14 of the original windows by removing poorly executed weatherization improvements and restored the windows to their original look and function.

The previous CCCHP grant that was received by the City of Ely was used to complete the following:

- A detailed Historic Structures Report by RAFI Architecture
- Completed (and successful) nominations to the State and National Registers of Historic Places
- A soils report for the apparent foundation issues on the North side of the fire station.
- Emergency repairs to the galvanized steel cover on the cast stone cap on top of the building.

		CATE OF COVERAGE		1		
THIS CERTIFICATE IS ISSUED AS A MA HOLDER. THIS CERTIFICATE DOES NO MEMBER	TTER OF INFORMAT	OR ALTER THE COVER	AGE FORMS ISSUED TO	E CERTIFICATE		
AGENT		DATE OF ISSUA	NCE			
Willis Administrative Services Corpora DBA Willis Pooling I E. Liberty Street, Suite 600 Reno, NV 89501	tion, Inc.	7/15/2021				
OVERED MEMBER		COVERAGE TO	MEMBER PROVIDED BY	AGREEMENT WITH:		
City of Ely			Nevada Public Agency Insurance Pool 201 S. Roop St., Suite 102 Carson City, NV 89701-4790 A POOL FORMED PURSUANT TO THE INTERLOCAL			
		COOPERATIO	NACT CHAPTER 277 OF STATUTES	THE NEVADA REVISED		
COVERAGES:						
THIS IS TO CERTIFY THAT THE COVER ABOVE FOR THE TIME PERIOD INDICA OR OTHER DOCUMENT WITH RESPEC COVERAGE AFFORDED BY THE COVE CONDITIONS OF SUCH FORMS.	ATED. NOTWITHSTAL T TO WHICH THIS C RAGE FORMS DESC	NDING ANY REQUIREM ERTIFICATE OF COVER	ENT, TERM OR CONDITIC AGE MAY BE ISSUED OF	ON OF ANY CONTRACT		
TYPE OF COVERAGE	COVERAGE FORM NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMIT		
LIABILITY INCLUDING AUTO LIABILITY, LAW ENFORCEMENT LIABILITY AND WRONGFUL ACTS LIABILITY	NPAIP202122	7/1/2021	7/1/2022	\$1,000,000		
PROPERTY INCLUDING ALL REAL AND PERSONAL PROPERTY, AUTOMOBILES, AND EQUIPMENT	NPAIP202122	7/1/2021	7/1/2022	\$451,000		
OTHER				4		
ADDITIONAL ASSURED per Section 1.2 of POOL COVERAGE FORM:	NPAIP202122	7/1/2021	7/1/2022	\$1,000,000		
DESCRIPTION OF OPERATIONS\LOC	ATIONS\VEHICLES\S	PECIAL ITEMS				
The certificate holder is listed as addi #4S7AU2J999C065876, contract 33410	tional assured and lo	ss payee with respects	to the 2009 Spartan Ladd le.	er Truck, VIN		
CERTIFICATE HOLDER		CANCELLATIC				
KS StateBank AOIA Attn: Insurance Dept			OF THE ABOVE DESCRIE ED BEFORE THE EXPIRA			
Attn: Insurance Dept PO Box 69 Manhattan, KS 66505		THE REAL PROPERTY AND A DESCRIPTION OF A	BE DELIVERED IN ACCO OF THE FORMS.	RDANCE WITH THE		
	$\sim$					

# **Current List of Board Members**

Our board is made up of the Mayor and City Council.

# Mayor - Nathan Robertson

# City Council:

- Jim Alworth
- Kurt Carson
- Jerri-Lynn Williams-Harper
- Ed Spear
- Ernie Flangas

Nathan Roberts	PO Box 151964 Ely,NV 89315 vwnathan@hotmail.com 775.293.0010
Education	Bachelor of Science, Construction Management, Brigham Young University Minor, Business Management Graduated, April 2009, GPA 3.1/4.0
Experience	<ul> <li>Construction Manager, Reck Brothers LLC, Ely NV, April 2013-Present         <ul> <li>Manage documents for bidding and construction.</li> <li>Participate in pre-bid, pre-con, and owner meetings.</li> <li>Conduct project inspections and manage submittal process.</li> <li>Responsible for project budget, change orders, schedule and project billing.</li> <li>Manager permit processes with state and federal offices.</li> </ul> </li> <li>Project Manager, White Pine Historical Railroad Foundation, Ely NV, Oct. 2009-Present         <ul> <li>Responsible for expending grant funds in the restoration of historic structures and infrastructure at a 55 acre National Historic Landmark</li> <li>Prepare pre-bid documents, manage bidding processes and prepare contracts</li> <li>Manage project documents, and meet regularly with contractor and owner</li> <li>Responsible to update and manage project budget</li> </ul> </li> <li>Project Assistant, Day Engineering, Ely NV, Nov. 2009-Feb. 2013</li> <li>Participate in site surveys</li> <li>Manage application processes with state agencies</li> <li>Present project reports at meetings with government bodies</li> </ul> <li>Assistant Engineer, Corp. of the First Presidency, Provo UT, Oct. 2006-Aug. 2009</li> <li>Assisted in managing crews for renovation and maintenance closures</li> <li>Monitored building and performed adjustments on all mechanical systems</li> <li>Responsible for the safety of a 130,000 SF building, during assigned shift</li> <li>Participated in reviewing building seismic study</li> <li>Project Engineer Intern, Kinetic Systems Inc., Union City CA, May 2007-Aug. 2007</li> <li>Manage ducouments for a biopharmaceutical project—Wrote and logged RFI's, submittals, and valve lists</li> <li>Participated in project correlation meetings and the bidding process</li>
Skills	Construction – Estimating, Scheduling, Bidding, Take-offs, Safety, Document Reading Computer – Excel, AutoCAD, Timberline, SureTrack, P3 (Primavera), On-Screen Takeoff Language – Conversational Portuguese (Brazil), written and spoken
Certifications	<ul> <li>OSHA 30 Hour</li> <li>State of Nevada Flagging Certification</li> <li>BPI Certified Building Analyst Professional – Exp 8/21/2019</li> </ul>
Awards	<ul> <li>ASC National Mechanical Construction Competition, 2<sup>nd</sup> Place, 2007</li> <li>ASC National Mechanical Construction Competition, Outstanding Presenter, 2007 and 2009</li> <li>Recipient of the Reed Arne Scholarship, 2008 and 2009</li> </ul>



JENNIFER LEE CITY CLERK

SKILLS & ABILITIES Microsoft Office

Danish & German languages

# REFERENCES

Caroline McIntosh cmcintosh@unr.edu

Kevin Briggs kevin.briggs@wpcnvadmin.com

# EXPERIENCE

# **CITY OF ELY, ELY, NEVADA**

APRIL 2019 - PRESENT Directs and supervises City of Ely administration including \$2,143,334.00 in grants over the past three years

DEPUTY CITY CLERK JUNE 2014 – APRIL 2019 Acting City Clerk twice and managed 2015, 2017 and 2019 City elections, receiving Nevada Secretary of State commendation

E-LEE FORD LINCOLN MERCURY, ELY, NEVADA OFFICE MANAGER MARCH 2004 – SEPTEMBER 2010 Recognized on Ford's Accountant Honor Roll annually

# EDUCATION

UNIVERSITY NEVADA RENO, RENO, NV CERTIFIED PUBLIC OFFICIAL – MAY 26, 2021

SMITH COLLEGE, NORTHAMPTON, MA B.A. GOVERNMENT CUM LAUDE – MAY 17, 1987

VITALS 1033 Bell Avenue Ely, Nevada 89301 775-296-0260 Jenniferlee1033@gmail.com

# LEADERSHIP

President/Counselor/Teacher/Representative, 1981-Present: Church of Jesus Christ of Latter-Day Saints' organizations

Missionary, February 1984-September 1985: Church of Jesus Christ of Latter-Day Saints, Denmark

Event Co-Organizer, October 1981: International Student Organization Fair, Smith College

# MICHAEL CRACRAFT

mcracraff@live.com | 775-293-0834 | Ely, NV 89301

# Summary Resourceful and adaptable Supervisor with 25 years of related experience and solid history of success in Public & Private operations. Motivated to drive productivity and efficiency goals through proactive and hands-on leadership. Scheduling, staff training, protocol development and process improvements. Meticulous team builder with expertise in employee engagement, time management and conflict resolution. Skills • Capital improvement planning • Contract development and management • Issue and conflict resolution • Contract development and management • Team building • Contract development and management • Device Works Supervisor | City Of Ely - Ely, NV | 05/2019 - Current Over the daily operations and maintenance of the Water Sewer, Waste Water Treatment Plant, Streets, Landfill, Cemetery, Parks/Maintenance ond Animal Control.

Cemetery & Parks Leadman | City Of Ely - Ely, NV | 05/2006 - 05/2019

- Collaborated with staff to maximize customer satisfaction, streamline procedures and improve work
  productivity.
- Experience with Grants: Funds from SNPLA to improve Broadbent Park, Blanchi Park, and to establish the Jack Caylor Park playgrounds and barbecue areas.
- Planned use of Secured Pennington Foundation Funds to improve Terrace Park playground and barbecue areas.
- Applied and received Tourism & Recreation Funds for fencing and sidewalks at the Broadbent Park, Bianchi Park and the Terrace Park.
- Years of experience with annual budgeting for public and private entities

Owner/Manager | Grubs Club Bar & Grill - Ely, NV | 05/1996 - 05/2006

Manager | Turner & Suburban Gas - Ely, NV | 01/1992 - 05/1996

# Long Range Plan / Activities for the Past Fiscal Year

Long-Range Plan:

The City of Ely plans to renovate the Ely City Hall to preserve the historic features and character of the building while providing for the needs and safety of City staff as well as the community public who use the building.

(plan updated as needed)

Activities for the Past Fiscal year:

The City of Ely has completed repairs to 14 of the original windows on the second floor of City Hall. Masonry repairs have been completed to 6 of the windowsills. The City has also installed new roofing material on the City Hall as well as the adjacent fire hall addition.

# GRANT APPLICATION FOR 2021-2022 PART III BUDGET FORM

# Applicant: City of Ely

# 1. Personnel:

	Position Title	Hours	Hourly Rate (HR)	√ if HR includes Fringe Benefits	% of HR that is a fringe benefit	Amount of fringe benefit	Total Amt	State Share	Non- State Share
a. Nathan	Mayor	100	\$4.00		30.00%	1.20	401.20		
b. Jennifer	Clerk	70	\$32.55		30.00%	9.77	2,288.27		
c. Mike	Public Wrks	70	\$31.50		30.00%	9.45	2,214.45		
d.						0.00	0.00		
e.						0.00	0.00		
f.						0.00	0.00		
g.						0.00	0.00		
h.						0.00	0.00		
i.						0.00	0.00		
j.						0.00	0.00		
						Sub-total:	\$4,903.92	\$0.00	\$0.00

2. Travel: (see GSA rates in the application document)

		Rate	Miles/# of days	Total Amount	State Share	Non-State Share
a.	Mileage					
	1. Person #1-			0.00		
	2. Person #2-			0.00		
b.	Per Diem (Breakfast)			0.00		
	Per Diem (Lunch)			0.00		
	Per Diem (Dinner)			0.00		
с.	Transportation costs (parking fees, taxi, etc.)			0.00		
d.	Lodging					
	1. Weeknight (Sun-Th)			0.00		
	2. Weekend (Fri-Sat only)			0.00		
e.	Other:			0.00		
f.	Other:			0.00		
			Sub-total:	\$0.00	\$0.00	\$0.00

No travel is anticipated for this project.

## GRANT APPLICATION FOR 2019-2020 PART III BUDGET FORM

3. Contractual Services: Attach itemized lists or contractor quotes showing the breakdown of materials and labor costs for all proposed work items

	Contractual Service	Total Amount	State Share	Non-State
a.	Programming for Design Needs	90,000.00	90,000.00	
b.	Architectural & Engineering	260,000.00	210,000.00	50,000.00
c.				
d.				
e,				
f.				
	Sub-total:	\$350,000.00	\$300,000.00	\$50,000.00

No quotes are attached. Due to the nature of the work it will bid on a time and materials basis. 4. Operating: List estimated operating expenses relating to the proposed project.

		# of	Rate	Flat Rate	Amount	State Share	Non-State
a.	Photocopying						
ь.	Film and Processing						
с.	Maps						
d.	Postage						
e.	Telephone						
f.	Utilities						
g.	Supplies (specify):						
h.	Other (specify):						
i.	Other (specify):						
				Sub-total:	\$0.00	\$0.00	\$0.00

5. Other (please specify or attach detailed budget):

	Rate	Amount	State Share	Non-State
a.				
b.				
c.				
d.				
е.				
f.				
g.				
h.				
	Sub-total:	\$0.00	\$0.00	\$0.00

# GRANT APPLICATION FOR 2019-2020 PART III BUDGET FORM

# 6. Section #1- 5 Subtotals:

		Amounts	State Share	Non-State Share
1.	Personnel	4,903.92	0.00	4,903.92
2.	Travel	0.00	0.00	0.00
3.	Contractual Services	350,000.00	300,000.00	50,000.00
4.	Operating	0.00	0.00	0.00
5.	Other	0.00	0.00	0.00
	Sub-tota	1: \$354,903.92	\$300,000.00	\$54,903.92

7.	Requested State Share Total:	Subtotal: \$300,000.00
8.	Potential Non-State Share:	Subtotal: \$54,903.92
9.	Actual Non-State Share:	Subtotal: \$54,903.92
10.	Proposed Project Costs Grand Total:	\$354,903.92

# CITY OF ELY, NEVADA

# FINANCIAL STATEMENTS

# For the Year Ended June 30, 2021

# **Together with Independent Auditor's Report**

# CITY OF ELY, NEVADA TABLE OF CONTENTS

्य	h	14	1	2	-
		53	ы	T)	ρ

Independent Auditors' Report	1
Management's Discussion and Analysis	
Basic Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet Governmental Funds	
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position - Proprietary Funds	
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	
Statement of Cash Flows - Proprietary Funds	
Notes to the Financial Statements	
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund	
Balances – Budget and Actual: General Fund	44
General Fund Streets Special Revenue Fund	
Schedule of the Proportionate Share of the Net Pension Liability – Public Employees' Retirement System of Nevada	
Schedule of Contributions - Public Employees' Retirement System of Nevada	49
a to be a Colour on the Total OPER Liability and	
Related Ratios - Nevada Public Employees' Benefits Program	
Notes to the Required Supplementary Information	51

# CITY OF ELY, NEVADA TABLE OF CONTENTS

# Supplementary Information:

Schedules of Revenues, Expenditures and Changes in Fund	
Balances - Budget and Actual - Capital Projects Fund	
Combining Balance Sheet - Nonmajor Governmental Funds	53
Combining Statement of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Funds	54
Nonmajor Governmental Fund Schedules of Revenues, Expenditures	
and Changes in Fund Balances – Budget and Actual:	
Court Assessment Special Revenue Fund	
Court Collection Fee Special Revenue Fund	
Court Facility Fee Special Revenue Fund	
Fire Protection/Street Improvement Special Revenue Fund	
Ely Redevelopment District Special Revenue Fund	
Revolving Loan Special Revenue Fund	
Victim Impact Panel Special Revenue Fund.	
Main Dransiston, Fund Sakadulas of Davanues, Fundance and	
Major Proprietary Fund Schedules of Revenues, Expenses and	
Changes in Net Position – Budget and Actual:	60
Water Fund	
Sanitation Fund	
Landfill Fund	
Compliance Section	
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	65
Tertonned in Accordance with Obvernment Andring Standards	
Independent Auditor's Report in Accordance with the Provisions of	
Schedule of Findings and Recommendations	69
Nevada Revised Statutes 354.5989: Limitation on Fees for Business Licenses	
Single Audit Section	
Independent Auditor's Report on Compliance for Each Major Program and on	
	71
Internal Contor Over Compnance Required by the Ontorin Outdance	
Schedule of Expenditures of Federal Awards	
Notes to the Schedule of Expenditures of Federal Awards	
5 <sup>2</sup>	
Schedule of Findings and Questioned Costs	
Independent Auditor's Report in Accordance with the Provisions of Nevada Revised Statutes 354.624	



#### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council City of Ely, 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 Ely, Nevada as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Ely, Nevada'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 of Ely, Nevada'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 of Ely, Nevada'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.

#### Opinion

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 Ely, 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 conformity 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; schedules of revenues, expenditures and changes in fund balances – budget and actual; schedule of proportionate share of the net pension liability; schedule of contributions; schedule of changes in the total OPEB liability and related ratios; and the related notes to the required supplementary information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ely, Nevada's basic financial statements. The combining and individual nonmajor fund financial statements, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards 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 themselves, and other records used to prepare 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, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

# Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2021, on our consideration of the City of Ely, Nevada's internal control over financial reporting and 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 of Ely, Nevada'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 of Ely, Nevada's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah November 30, 2021

As management of the City of Ely, we offer readers of the City of Ely's financial statements this narrative overview and analysis of the financial activities of the City of Ely for the fiscal year ended June 30, 2021.

#### **Financial Highlights**

- The assets of the City of Ely exceeded its liabilities and deferred inflows, at June 30, 2021, by \$27,613,275 ۰ (net position). Of this amount, \$6,048,363 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,813,160. The City's enterprise funds net position increased by \$1,335,626. The governmental fund net position increased by \$477,534.
- As of June 30, 2021, the City of Ely's governmental funds reported combined ending fund balances of • \$2,904,822, with \$774,261 being available for spending at the City's discretion (unassigned fund balance),
- As of June 30, 2021, unassigned fund balance in the general fund was \$774,261, or 24.6% of general fund ۰ expenditures.

#### Financial Statement Overview

This discussion and analysis is intended to serve as an introduction to the City of Ely's basic financial statements. The City of Ely's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Ely's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the City of Ely's assets and liabilities, with the . difference between the two reported as "net position". Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ely is improving or deteriorating.
- The statement of activities presents information showing how the government's net position changed during . the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items with the resulting cash flows being reported in future fiscal periods.

Both the government-wide financial statements distinguish functions of the City of Ely that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ely include general government, judicial, public safety, public works, streets and highways, health and sanitation, culture and recreation, and community support. The business-type activities of the City of Ely include water, sanitation (sewer), sanitary landfill, and railroad operations.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ely, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Ely can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide

financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Ely maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street fund which are considered to be major funds. Individual fund data, for each of the non-major governmental funds, is provided in the form of combining statements elsewhere in the report.

The City of Ely adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison, for the City's general and street funds, has been provided in the required supplemental information to demonstrate compliance with this budget. Budget comparisons for other funds are provided elsewhere in the report.

Proprietary Funds. The City of Ely uses enterprise funds to report the same functions presented as businesstype activities in the government-wide financial statements. The City of Ely uses enterprise funds to account for its water, sewer, landfill, and railroad activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water activity, the sewer activity, the landfill activity and railroad activity, which are considered major funds of the City of Ely.

#### Notes to the Financial Statements

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

#### Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

# **Government-Wide Financial Analysis**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial condition. In the case of the City of Ely, assets and deferred outflows exceeded liabilities and deferred inflows by \$27,613,275 at June 30, 2021, versus \$25,800,115 at June 30, 2020, an increase of \$1,813,160 resulting from current year activity.

	3	Government	al Ad	tivities		Business-typ	pe A	ctivities		То	tal	
	22. 	2021		2020	-	2021	_	2020	_	2021	_	2020
Current and other assets Capital assets		3,069,066 4,767,441	s	2,843,664 4,662,889	\$	15,344,890 12,280,884	\$	11,180,883 14,833,606	\$	18,413,956 17,048,325	\$	14,024,547 19,496,495
Total assets		7,836,507		7,506,553		27,625,774	_	26,014,489	_	35,462,281	_	33,521,042
Total deferred outflows of resources		700,584		474,346		572,669	_	395,293	_	1,273,253	_	869,639
Long-term liabilities outstanding Other liabilities		448,920 2,402,843		2,171,081 478,438		2,123,964 3,241,500		904,845 3,896,186		2,572,884 5,644,343		3,075,926 4,374,624
Total liabilities		2,851,763		2,649,519		5,365,464	_	4,801,031	_	8,217,227	_	7,450,550
Total deferred inflows of resources	_	497,822	_	621,408	_	407,210	_	518,608	_	905,032	-	1,140,016
Net position: Net investment in capital assets Restricted Unrestricted		4,050,495 727,672 409,339		4,222,363 943,392 (455,783)		12,985,096 3,801,649 5,639,024		12,691,677 3,375,891 5,022,575	_	17,035,591 4,529,321 6,048,363		16,914,040 4,319,283 4,566,792
Total net position	\$	5,187,506	\$	4,709,972	\$	22,425,769	\$	21,090,143	\$	27,613,275	\$	25,800,115

#### City of Ely's Net Position

The largest portion of the City of Ely's net position (61.7%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Ely uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Ely's investments in its capital assets is reported net of related debt, it should be noted that the recourses needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debts.

Restricted net position represents 16.4% of the City's net position. This represent resources that are subject to external restrictions on how they may be used. These include the debt-restricted cash in the water and sewer funds and cash set aside to alleviate future revenue shortfalls in the general-government funds.

The remaining portion of the City's net position (21.9%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

		Government	al A	ctivities		Business-ty	pe A	ctivities	Total			
10		2021	00025 G	2020		2021		2020		2021		2020
Revenues:	_								_			
Program revenues:												
Charges for services	\$	1,068,480	5	1,253,079	\$	3,649,241	\$	3,637,232	\$	4,717,721	\$	4,890,311
Operating grants and contributions		502,272		238,149		318,799		-		821,071		238,149
Capital grants and contributions		549,213		498,719		672,615		251,756		1,221,828		750,475
General revenues:												
Consolidated taxes		1,685,857		1,490,403				523		1,685,857		1,490,403
Fuel taxes		169,718		161,780		( <u>1</u> )		- <b>-</b> -		169,718		161,780
Roomtaxes		315,568		258,225		-		(1 <del>4</del> ))		315,568		258,225
Share of county gaming tax		47,565		30,533		-		-		47,565		30,533
Property taxes		192,576		139,772				1. <del>.</del> .		192,576		139,772
Franchise taxes		179,706		177,712		-				179,706		177,712
Excise tax		9,285		-		-				9,285		-
Loss on sale of assets		(23,679)		-		<u>_</u>				(23,679)		
Investment carnings		8,767	_	5,295	_	15,546	-	16,144	_	24,313	-	21,439
Total revenues		4,705,328	_	4,253,667	_	4,656,201	_	3,905,132		9,361,529	_	8,158,799
Expenses:												
General government		192,616		220,965		-				192,616		220,965
Judicial		285,658		300,503				( <del>-</del> )		285,658		300,503
Public safety		1,843,592		1,802,512		-		- <del></del> -		1,843,592		1,802,512
Public works		187,524		228,816		1.7		1. <b>-</b> 1.		187,524		228,816
Health and sanitation		187,949		158,038		-		. ÷.		187,949		158,038
Culture and recreation		122,847		87,348		÷		1629		122,847		87,348
Community support		566,078		2,420		14		-		566,078		2,420
Highways and streets		841,530		584,753						841,530		584,753
Water		-		-		1,375,529		1,288,962		1,375,529		1,288,962
Sewer		-				962,677		989,668		962,677		989,668
Landfill	_	-	_		_	982,369	_	934,337	<u></u>	982,369	_	934,337
Total expenses	3	4,227,794	_	3,385,355	_	3,320,575	_	3,212,967		7,548,369		6,598,322
Increase (Decrease) in net position		477,534		868,312		1,335,626		692,165		1,813,160		1,560,477
Net position - beginning of year		4,709,972		3,995,683		21,090,143		20,397,978		25,800,115		24,393,661
Prior period adjustment			_	(154,023)	_		_		_		_	(154,023)
Net position - end of year	\$	5,187,506	\$	4,709,972	\$	22,425,769	\$	21,090,143	\$	27,613,275	\$	25,800,115

#### City of Ely's Changes in Net Position

#### Governmental Activities

Program revenues include charges for services, fines and forfeitures, certain licenses and permits, and both operating and capital grants and contributions. Charges for services revenues of the governmental activities provided 22.7% of total governmental revenues. The remaining program costs were financed from grants and general revenues. The largest general revenue source is consolidated taxes of \$1,685,857 which provided 35.8% of the total governmental revenues.

#### **Business-Type Activities**

Program revenues and charges for services, provided all the resources necessary to pay the cost of providing program services.

#### Financial Analysis of the City's Funds

#### Governmental Funds

The focus of the City of Ely's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Ely's financing requirements. Unassigned

fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Ely's governmental funds reported combined ending fund balances of \$2,904,882; \$774,261 of this balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is designated nonspendable, restricted, or committed to indicate that it is either not available for spending or restricted/committed for specific purposes.

General Fund. The general fund is the chief operating fund of the City of Ely. At the end of the current fiscal • year, unassigned fund balance of the general fund was \$774,261. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Unassigned fund balance represents 24.6% of total general fund expenditures.

The fund balance of the general fund increased by \$254,304 during the current year. This was a favorable difference of \$607,543 when compared to the budgeted decrease of \$353,239.

The major revenue sources of the general fund are intergovernmental revenues (\$2,481,694) which represent 73.1% of the general fund's revenues. The intergovernmental revenues include consolidated tax (CTX), sales, liquor, cigarette and motor vehicle taxes and grants.

The major general fund expenditures are for public safety, which are 56.6% (\$1,775.136) of total general fund expenditures. The public safety expenditures included \$1,190,444 for Fire Department operations, and \$584,692 for transfer payments to White Pine County for police services.

- Street Fund. The street fund is the special revenue fund used to account for the City's share of motor vehicle fuel tax revenues. The revenue is dedicated to the repair, maintenance, and construction of the City's streets and alleys. The City and County are working together to utilize Regional Transportation Commission revenue and Public Transit Fund revenue to improve the City streets. During the course of the year the fund had an increase in fund balance of \$12,881.
- Capital Projects Fund. The capital projects fund is a capital projects fund established to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital project needs within the City. The majority of the revenue (\$315,568) came from the room tax from White Pine County.

# Proprietary Funds

The City's proprietary funds are comprised of the four City utility funds: water, sewer, landfill, and the railroad fund. The government-wide financial data is the same as the individual fund data, as the enterprise funds are accounted for under the full accrual method of accounting. No general tax revenues are used to support these funds.

- Municipal Water Fund. Operating revenue increased by \$79,587 (6.8%). The increase was due primarily to . rate increases. Operating expenses increased 7.9% (\$79,246) for the year. The change in net position for the year was an increase of \$259,471.
- Sanitation Fund. The City's sewer fund operating revenue increased by \$40,088 (3.8%) due primarily to rate . increases. Operating expenses decreased by 2.7% (\$25,107) for the year. The change in net position for the year was an increase of \$835,543.
- Sanitary Landfill Fund. The City's landfill fund operating revenue decreased by \$19,944 (1.8%) due . primarily to normal activity. Operating expenses increased by 5.1% (\$48,032) for the year. The fund had an

increase in net position for the year of \$240,612. The fund is accumulating cash to pay the projected closure and post closure care costs in line with current engineering estimates.

Railroad Fund. The fund accounts for acquisition and maintenance activity for the railroad line owned by e the City. There was no activity in the year ended June 30, 2021.

#### **Budgetary Highlights**

The General Fund's legal level of budgetary control is the function level. The budget for expenditure appropriation for the year was \$3,311,490. Actual expenditures were \$175,686 less than the final budget. No functions of the general fund were over budget for the year ended June 30, 2021.

# Capital Assets and Debt Administration.

#### Capital Assets

The City of Ely's investment in capital assets for its government and business-type activities, as of June 30, 2021, amounts to \$19,885,825, net of depreciation. The assets are displayed by type of activity and asset below.

Governmenta 2021		al Ac	al Activities 2020		Business-type 2021		pe Activities 2020		Tc 2021		2020	
Land Construction in progress Streets Flood control	\$	258,052 1,055,694 114,759	\$	275,931 1,160,095 124,214	\$	1,840,478 1,038,822	\$	1,840,478 273,744 - -	\$	2,098,530 1,038,822 1,055,694 114,759	5	2,116,409 273,744 1,160,095 124,214
Improvements Buildings Vehicles and equipment		467,986 1,187,663 1,683,287		516,620 1,214,468 1,371,561		11,458,308 248,741 532,035	70	11,827,709 371,167 478,708		11,926,294 1,436,404 2,215,322		12,344,329 1,585,635 1,850,269
Total	\$	4,767,441	\$	4,662,889	\$	15,118,384	\$	14,791,806	\$	19,885,825	\$	19,454,695

#### City of Ely's Capital Assets (Net of Depreciation)

Major capital asset additions for the fiscal year are as follows:

Governmental activities:	Buisness-type activities:							
Ambulance Public safety equipment	\$ 213,706 269,706	Murry Street Sewer Construction in progress	\$	703,443				

Additional information on the City of Ely's capital assets can be found in notes to the financial statements.

#### Outstanding Debt

At the end of the fiscal year, the City had total debt of \$2,446,760. Of this amount, the governmental activities had \$378,483 outstanding and the business-type activities \$2,068,277. These amounts are not considered general obligation debt. The debts are revenue bonds, notes payable, and a capital lease.

	Government	al Ac	tivities	Business-ty	pe A	ctivities	Total				
	2021		2020	_	2021		2020	_	2021	_	2020
Revenue bonds payable Notes payable Capital lease	\$ - 304,537 73,946	\$	339,118 101,408	\$	2,068,277	\$	2,141,929	\$	2,068,277 304,537 73,946	\$	2,141,929 339,118 101,408
Total	\$ 378,483	\$	440,526	\$	2,068,277	\$	2,141,929	\$	2,446,760	\$	2,582,455

#### City of Ely's Outstanding Debt

Additional information on the City of Ely's long-term debt can be found in notes to the financial statements.

#### **Other Factors/Economic Factors**

The City Budgeted 46% of its General Fund revenues from the consolidated Tax (CTX) distributions (predominately sales taxes) and experienced relatively no change from the prior year. Additional growth, retail sales and continued construction may increase the amount of CTX tax distributions the City receives over time. Mining continues to be a strong source of regional employment, but is always subject to the variances of commodity price fluctuations now being experienced. Expansion of current mining operations and the possible opening of new mines would contribute to the sales tax.

The General Fund of the City has held its financial condition as a result of strict budgeting practices along with the efforts of the City personnel to work smart with conscientious spending. Although the City is expecting fluctuations in tax revenues, with the continued practice of holding or reducing expenditures as needed, these fluctuations are not expected to have a significant impact on the City's financial health in the near term.

The City of Ely's Enterprise Funds (Water, Sewer, Landfill, and Railroad) continue to be financially sound.

- Municipal Water Fund. The Water Fund revenue is holding steady and the City is investing in improving and
  upgrading the system.
- Sanitation Fund. The Sewer Fund revenue is also holding steady, with the cash position improving. The City
  received a grant to video the system in prior years to determine how it is performing. The results of the
  cleaning/televising of the sewer system confirmed the need to replace thousands of feet of sewer line in the
  near future.
- Sanitary Landfill Fund. The Landfill Fund continues to operate efficiently. The equipment continues to run
  well and the purchase of new equipment should help cut costs on maintenance. Landfill improvements and
  the permitting of the class III section (construction waste) has improved the life of the project and should
  lead to long-term cost reductions for the community.
- Railroad Fund. The Railroad Fund continues to operate efficiently. Its primary source or revenues and
  expense arise from grants and expenses related to railroad improvements.

#### **Requests for information**

This report is designed to provide a general overview of the city of Ely's finances for all interested parties. Questions concerning the information provided in this report or requests for additional information should be addressed to City Clerk or City Treasurer, City of Ely, 501 Mill St., Ely, Nevada 89301.

BASIC FINANCIAL STATEMENTS

# CITY OF ELY, NEVADA STATEMENT OF NET POSITION June 30, 2021

	1000	ernmental Activities		siness-type Activities	Total		
Assets					e.	0 610 404	
Cash and cash equivalents	\$	1,892,628	\$	6,619,866	\$	8,512,494	
Accounts receivable, net		33,670		326,059		359,729	
Internal Balances		(92,646)		92,646		-	
Due from other governments		373,150		498,458		871,608	
Prepaid expenses		38,656		8,735		47,391	
Inventory				58,548		58,548	
Notes receivable		121,511		-		121,511	
Deposits		1,200		was stars		1,200	
Restricted cash and cash equivalents		700,897		4,861,278		5,562,175	
Property and equipment not being depreciated		258,052		2,879,300		3,137,352	
Property and equipment, net of depreciation		4,509,389		12,239,084		16,748,473	
Non-service property, Georgetown Ranch, net				41,800	<u></u>	41,800	
Total assets	s	7,836,507		27,625,774	-	35,462,281	
Deferred outflows of resources		No. 8 (2007) 24277		1. J. J. M. 194		1 054 767	
Pensions		690,198		564,569		1,254,767	
OPEB		10,386		8,100		18,486	
Total deferred outflows of resources	<u> </u>	700,584		572,669	-	1,273,253	
Total assets and deferred outflows of resources	\$	8,537,091	\$	28,198,443	\$	36,735,534	
Liabilities	e.	49,236	\$	322,776	\$	372,012	
Accounts payable	\$			38,871		142,723	
Accrued liabilities		103,852		10,421		13,401	
Accrued interest payable		2,980		5		61,342	
Customer deposits		9,974		51,368		2,125	
Unearned revenue		1,122		1,003		2,120	
Noncurrent liabilities:		100 200		100 550		246,79	
Due within one year		123,038		123,753			
Due in more than one year		325,882		2,000,211		2,326,093	
Landfill closure costs				994,618		994,61	
Net OPEB liability		165,278		128,891		294,16	
Net pension liability		2,070,401	-	1,693,552	ŝ	3,763,95	
Total liabilities	1000	2,851,763	_	5,365,464	-	8,217,22	
Deferred inflows of resources		497,822		407,210		905,03	
Pensions		477,022			-		
Net position		4,050,495		12,985,096		17,035,59	
Net investment in capital assets		1,000,000					
Restricted for:		141,683		-		141,68	
Judicial		30,057		175,788		205,84	
Debt service		419,285				419,28	
Community development		136,647		-		136,64	
Stabilization		130,047		3,575,809		3,575,80	
Capital projects				50,052		50,05	
Landfill closure Unrestricted		409,339		5,639,024		6,048,36	
	<u></u>	5,187,506		22,425,769		27,613,27	
Total net position							
Total liabilities, deferred inflows of resources and net position	\$	8,537,091	\$	28,198,443	\$	36,735,53	

The accompanying notes are an integral part of this statement.
# CITY OF ELY, NEVADA STATEMENT OF ACTIVITIES For the Year Ended June 30, 2021

					Progra	m Revenues			Ne	t (Expense) Re	evenue at	nd Changes	in Ne	t Position
		Expenses		narges for Services	Oj Gr	perating ants and tributions	Gr	apital ants and tributions		ernmental ctivities		ess-type ivities	7. <u></u>	Total
Functions/Programs														
Governmental activities						20.059	\$		s	4,577	\$		\$	4,577
General government	\$	192,616	\$	176,235	\$	20,958	Ф		9	(217,761)		2		(217,761)
Judicial		285,658		67,897		170 040		12,229		(650,004)		2		(650,004)
Public safety		1,843,592		701,410		479,949		14,449		(132,728)		ੂ		(132,728)
Public works		187,524		54,796		-		<b>T</b> .		(186,584)				(186,584)
Health and sanitation		187,949				1,365		8,984		(97,309)		<u></u>		(97,309)
Culture and recreation		122,847		16,554		-		0,904		(534,490)		-		(534,490)
Community support and development		566,078		31,588		25		628 000		(293,530)				(293,530)
Highways and streets		841,530		20,000	-			528,000						
Total governmental activities	4	4,227,794	_	1,068,480		502,272	-	549,213	-	(2,107,829)	1		_	(2,107,829)
Business-type activities						210 700				12		256,252		256,252
Municipal water		1,375,529		1,312,982		318,799		672,615				831,367		831,367
Sanitation		962,677		1,121,429		*		072,013		A8		232,461		232,461
Landfill	-	982,369	( <u>)</u>	1,214,830					-			111111111		1,320,080
Total business-type activities		3,320,575		3,649,241	_	318,799		672,615	_			1,320,080	-	Constant Street Street
Total government	s	7,548,369	s	4,717,721	\$	821,071	\$	1,221,828		(2,107,829)		1,320,080	-	(787,749)

General revenues	192,576	5. <b>4</b> 3	192,576
Property taxes	179,706	249	179,706
Franchise tax	315,568		315,568
Room taxes Consolidated tax	1,685,857		1,685,857
Share of county gaming tax	47,565		47,565
Fuel tax	169,718	<u>.</u>	169,718
Excise tax	9,285	-	9,285
Loss on sale of assets	(23,679)	-	(23,679
Investment earnings	8,767	15,546	24,313
Total general revenues	2,585,363	15,546	2,600,909
Changes in net position	477,534	1,335,626	1,813,160
iet position, beginning	4,709,972	21,090,143	25,800,115
Net position, ending	\$ 5,187,506	\$ 22,425,769	\$ 27,613,275

# CITY OF ELY, NEVADA BALANCE SHEET – GOVERNMENTAL FUNDS June 30, 2021

	(	General Fund		Street Fund		Capital Projects	Gove	Other ernmental Funds	Gov	Total ernmental Funds
Assets		1222-055	-	1997-1997 1997-1997		11 - 11 - 11 - 11 - 11 - 11 - 11 - 11	637	201938368 201938368	125	
Cash and cash equivalents	\$	688,566	\$	24,489	\$	1,004,654	\$	174,919	\$	1,892,628
Accounts receivable		12,978		and the		1000		20,692		33,670
Due from other governments		280,014		54,639		38,450		47		373,150
Prepaid expenses		35,456				<del>,</del> 1		3,200		38,656
Notes receivable		-		-				121,511		121,511
Deposits		1,200		÷.		53				1,200
Restricted cash and cash equivalents		136,647				30,057		534,193		700,897
Total Assets	\$	1,154,861	\$	79,128	\$	1,073,161	\$	854,562	\$	3,161,712
Liabilities										
Accounts payable	\$	24,268	\$	20,712	\$	1,919	\$	2,337	s	49,236
Accrued liabilities		90,461		6,577		-		6,814		103,852
Developer and customer deposits				9,974				×.		9,974
Due to other funds		92,646		-		5				92,646
Uncarned revenue	_	1,122	-		_		_		_	1,122
Total Liabilities		208,497		37,263	_	1,919		9,151	_	256,830
Fund Balances										
Nonspendable:										20.606
Prepaids		35,456				-		3,200		38,656
Restricted for:						10122-01221				
Debt service		en Fan				30,057		-		30,057
Stabilization		136,647		×.		<u>_</u>		-		136,647
Other purposes		10		3		-		560,968		560,968
Committed to:								171.001		1 067 071
Capital outlay		-		41,865		1,041,185		174,221		1,257,271
Other purposes				-		-		107,022		107,022
Unassigned		774,261	-		_	-	-			774,261
Total Fund Balances		946,364		41,865	_	1,071,242	_	845,411		2,904,882
Total Liabilities and Fund Balances	\$	1,154,861	\$	79,128	\$	1,073,161	\$	854,562	\$	3,161,712

# CITY OF ELY, NEVADA RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS 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 balance - governmental funds	\$	2,904,882
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	t	
Governmental capital assets\$ 15,052,44Less: accumulated depreciation(10,285,00)		4,767,441
Long-term liabilities, including notes payable, capital leases, interest payable, and net OPEB an pension liabilities are not due and payable in the current period and therefore are not reported i the funds.		
Notes and capital leases payable\$ (378,48Interest payable(2,98Compensated absences(70,43Net OPEB liability(165,27Net pension liability(2,070,40)	(0) (7) 78)	(2,687,579)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable future reporting periods and, therefore, are not reported in the funds.	to	
Deferred outflows related to pensions\$ 690,19Deferred inflows related to pensions(497,82Deferred outflows related to OPEB10,38	22)	202,762
Net position - governmental activities	\$	5,187,506

# CITY OF ELY, NEVADA STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS For the Year Ended June 30, 2021

Tetal

0.0

		eneral Fund		Street Fund	apital ojects	Gover	nmental unds	Gove	Total rnmental Funds
Revenues		600-00-00 F			202 5/2	s	222.076	s	697,135
Taxes	S		\$	-	\$ 383,563	3	223,976	2	220,414
Licenses, permits and fees		220,414			-		07×		3,178,494
Intergovernmental revenue		2,481,694		696,800			6,215		518,561
Charges for services		512,346		-	-				62,020
Fines and forfeitures		62,020		340 2010	-		1,046		8,767
Interest income		7,640		-	81				43,616
Other revenues	_	22,698		20,918	 			_	Sector Sector State
Total revenues		3,396,408	_	717,718	 383,644		231,237		4,729,007
Expenditures									
Current:					1.00				148,140
General government		148,140		51	<u>_</u>		5,267		276,650
Judicial		271,383					41,360		1,816,496
Public safety		1,775,136			1.25				164,997
Public works		164,997		-	100		2		184,844
Health and sanitation		184,844		57	·				82,585
Culture and recreation		82,585			1		66,023		574,742
Community support and development		508,719		-			-		719,837
Highways and streets		10 <b>4</b> 03		719,837	<b>1</b>				10,001
Debt service:					19,937		42,105		62,042
Principal		-		· · ·			7,206		17,005
Interest				27	9,799		7,200		299,553
Capital outlay		•	-	· · ·	 299,553				
Total expenditures		3,135,804	-	719,837	 329,289	-	161,961		4,346,891
Excess (deficiency) of revenues		200 (04		(2,119)	54,355		69,276		382,116
over (under) expenditures	_	260,604	_	(2,119)	 54,000		00,001,00	-	
Other financing sources (uses)		8,700					-		8,700
Sale of capital assets		8,700		15,000	20		÷		15,000
Transfers in		(15,000)		10,000	( <u>2</u> )		-		(15,000)
Transfers out		(15,000)	-			-			
Total other financing		(6,300)		15,000	-		-		8,700
sources (uses)	-	254,304	-	12,881	54,355		69,276		390,816
Net change in fund balances		5478 UB88 (C.)		28,984	1,016,887		776,135		2,514,066
Fund balance, beginning of year	-	692,060				\$	845,411	\$	2,904,882
Fund balance, end of year	\$	946,364		41,865	\$ 1,071,242	= <u>_</u>	040,411	-	als a the set

# CITY OF ELY, NEVADA RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2021

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

	32x	000 017
Net change in fund balances - total governmental funds	\$	390,816
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(400,795)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.		537,726
Government funds have proceeds from the sale of assets as revenue. However, the statement of activities reports the gain or loss on the sale of assets.		(32,379)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		62,042
Accrued interest for long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities. The adjustment reflects the change in interest payable.		940
Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension and OPEB liabilities are measured a year before the report date. Pension and OPEB expenses, which are the changes in the net pension and OPEB liabilities adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, are reported in the statement of activities.		
Pension expense \$ (96,425) OPEB expense (13,924)	<u>-</u>	(110,349)
Compensated absences expense 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.		29,533
Change in net position - governmental activities	\$	477,534

# CITY OF ELY, NEVADA STATEMENT OF NET POSITION PROPRIETARY FUNDS June 30, 2021

	_		1	Business-type	Ac	tivities - Ente	rprise	Funds		
	N	funicipal Water	S	anitation		Landfill	R	ilroad		Total
Assets										
Current assets	1.1421	31222-2023		0.000 0.00		3 603 848	\$	1.20	s	6,619,866
Cash and cash equivalents	\$	1,899,160	\$	2,037,858	\$	2,682,848 131,876	ъ		3	326,059
Receivables, net of allowance		117,527		76,656						92,646
Due from other funds		1.5		-		92,646				498,458
Due from other governments				498,458		-				8,735
Prepaid expense		6,569		600		1,566				58,548
Inventory	-	58,548	_	-	_		_	<u> </u>	_	30,340
Total current assets	_	2,081,804		2,613,572	_	2,908,936		-	_	7,604,312
Noncurrent assets		70-0012-012-1				1.044.630				4,861,278
Restricted cash and cash equivalents		2,472,584		1,344,024		1,044,670		-		4,001,670
Capital assets not being depreciated:						14.022		1,700,000		1,840,478
Land and easements		125,646		120		14,832		1,700,000		1,038,822
Construction in progress		170,613		868,209		-		-		1,030,022
Capital assets, net of accumulated depreciation:						00.210				25,472,542
Treatment facilities and improvements		14,402,467		10,971,765		98,310				520,773
Buildings		181,754		-		339,019				2,468,887
Machinery, equipment and vehicles		531,157		329,915		1,607,815		37		
Less accumulated depreciation		(8,395,457)	_	(6,430,765)	_	(1,396,896)			-	(16,223,118)
Total noncurrent assets		9,488,764	_	7,083,148	_	1,707,750		1,700,000	-	19,979,662
Other assets										50,014
Non-service property		50,014		-						(8,214)
Less accumulated depreciation	-	(8,214)	_	· · ·	-				-	ALC MEAN
Total other assets	_	41,800	<u>.</u>		_	12			-	41,800
Total assets	_	11,612,368	_	9,696,720	_	4,616,686		1,700,000	-	27,625,774
Deferred outflows of resources				3316-17-22-3						564,569
Pensions		165,913		130,493		268,163		-		8,100
OPEB	_	2,301	_	2,147	-	3,652				0,100
Total deferred outflows of resources	_	168,214		132,640		271,815				572,669
Total assets and deferred outflows of resources	5	11,780,582		\$ 9,829,360		\$ 4,888,501	\$	1,700,000		28,198,443

# CITY OF ELY, NEVADA STATEMENT OF NET POSITION (Continued) PROPRIETARY FUNDS June 30, 2021

	-		H	Business-typ	e Ac	tivities - Ent	erpri	se Funds		
	1	Municipal Water	s	anitation	ļ	Landfill		Railroad		Total
Liabilities										
Current liabilities										
Accounts payable	\$	45,775	\$	268,649	\$	8,352	\$		\$	322,776
Accrued liabilities		13,436		8,385		17,050		-		38,871
Accrued interest		3,896		6,525		-		-		10,421
Customer Deposits		15,799		15,714		19,855		2		51,368
Unearned revenue				1,003				-		1,003
Current portion of noncurrent liabilities		51,944		48,713		23,096	_		_	123,753
Total current liabilities		130,850		348,989	_	68,353	_	÷)	_	548,192
Noncurrent liabilities										
Compensated absences		19,829		8,031		27,827		-		55,687
Bonds payable		697,281		1,370,996				-		2,068,277
Less current portion of noncurrent liabilities		(51,944)		(48,713)		(23,096)		-		(123,753)
Net OPEB obligation		36,619		34,163		58,109		-		128,891
Net pension liability		497,690		391,445		804,417				1,693,552
Landfill closure/post closure costs	-		_	0.2	_	994,618	_	<u> </u>	_	994,618
Total noncurrent liabilities	_	1,199,475		1,755,922	_	1,861,875	_		_	4,817,272
Total liabilities	_	1,330,325		2,104,911	_	1,930,228		<u> </u>	_	5,365,464
Deferred inflows of resources										
Pensions	_	119,668	_	94,122	_	193,420	_	•	_	407,210
Net position										
Net investment in capital assets		6,318,899		4,303,117		663,080		1,700,000		12,985,096
Restricted for:										
Debt service		69,540		106,248				2		175,788
Capital improvements		2,403,044		1,172,765		-		-		3,575,809
Landfill closure/post closure costs				-		50,052		-		50,052
Unrestricted		1,539,106	_	2,048,197	_	2,051,721	_		_	5,639,024
Total net position	_	10,330,589		7,630,327		2,764,853	_	1,700,000	_	22,425,769
Total liabilities, deferred inflows	2			0.000.075	2	1.000 551		1 800 000		
of resources, and net position	-5	11,780,582	\$	9,829,360	\$	4,888,501	\$	1,700,000	\$	28,198,443

# CITY OF ELY, NEVADA STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended June 30, 2021

		Business-typ	e Activities - En	terprise Funds	
	Municipal Water	Sanitation	Landfill	Railroad	Total
Operating revenues				028	
Charges for services	\$ 1,254,914	\$ 1,104,103	\$ 1,103,912	\$ -	\$ 3,462,929
Total operating revenues	1,254,914	1,104,103	1,103,912		3,462,929
Operating expenses					
Salaries and wages	264,001	190,538	365,221	-	819,760
Employee benefits	174,983	105,265	247,768	-	528,016
Service, supplies and other	333,112	357,695	218,381	-	909,188
Landfill closure/post closure costs			89,773	-	89,773
Depreciation and amortization	315,712	242,847	61,226		619,785
Total operating expenses	1,087,808	896,345	982,369	-	2,966,522
Operating income (loss)	167,106	207,758	121,543	-	496,407
Nonoperating revenues (expenses)					
Interest income	3,219	4,176	8,151	-	15,546
Rent income	12,744	-			12,744
Miscellaneous income	27,914	10,326	110,918		149,158
System obligation fees	17,410	7,000		10	24,410
Grant revenue	318,799	672,615			991,414
Interest expense	(35,804)	(66,332)	-	-	(102,136)
Miscellaneous expense	(251,917)				(251,917)
Total nonoperating revenues (expenses)	92,365	627,785	119,069		839,219
Change in net position	259,471	835,543	240,612	3 <u>4</u>	1,335,626
Net position, beginning of year	10,071,118	6,794,784	2,524,241	1,700,000	21,090,143
Net position, end of year	\$ 10,330,589	\$ 7,630,327	\$ 2,764,853	\$ 1,700,000	\$ 22,425,769

The accompanying notes are an integral part of this statement.

1

A ......

# CITY OF ELY, NEVADA STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended June 30, 2021

I			B	usiness	-type A	c	ivities - Ente	rprise	Fu	nds		
-		nicipal ater	s	anitatio	n	1	Landfill	Ra	ilros	ad	Т	otal
Cash flows from operating activities		-	-			2						00 400
	\$ 1,	272,635	\$	1,114,1		\$	1,151,667	\$				538,499
Cash paid to suppliers for goods and services	1	(334,814)		(118,5	28)		(225,093)					678,435)
Cash paid to employees for services		(420,997)	-	(305,2	18)	_	(603,472)			<u> </u>	(1,	329,687)
Net cash flows from operating activities	_	516,824	_	690,4	51	_	323,102			-	1,	530,377
ash flows from noncapital financing activities												20 101
Due from other funds		-					29,101			÷2		29,101 222,069
Quadra mining receipts		222,069			-					•		12,740
Rental receipts		12,740		- 32	i.					•		149,157
Other receipts		27,914		10,3	325		110,918			2		251,917)
Quadra mining payments	3	(251,917)	_			-	<u> </u>		_	-		231,917
Net cash flows from noncapital							0.000 (200-20)					161-160
financing activities		10,806	_	10,	325		140,019			-		161,150
ash flows from capital and related												
financing activities		0.50000		1000	100					10		271,890
State and federal grant receipts		96,730		175,			-					24,410
System obligation fees received		17,410			000		(66 479)					(946,359)
Acquisition and construction of capital assets		(108,524)		(771,			(66,428)			÷.		(73,652)
Principal paid on long-term debt		(33,736)		12 L L L L L L L L L L L L L L L L L L L	916)		-					(102,136)
Interest paid on long-term debt		(35,804)	_	(66,	332)	-		-	-	-		(104,150)
Net cash flows from capital and related financing activities		(63,924)	_	(695	,495)	_	(66,428)		-	-		(825,847)
Cash flows from investing activities		2.210			,176		8,151					15,546
Interest on investments	-	3,219	-			-				40 84 9 2022		15,546
Net cash flows from investing activities		3,219	-	4	,176	_	8,151					10,010
Net increase (decrease) in cash and cash		100 005			,457		404,844			-		881,226
equivalents		466,925			10000		99.5580.52				1	0,599,918
Cash and cash equivalents, beginning	-	3,904,819	-	3,372		-	3,322,674 3,727,518	\$	-		17 Course	1,481,144
Cash and cash equivalents, ending	\$	4,371,744	=	\$ 3,38	,882	-	5,121,518					
Reconciliation of operating income to												
net cash flows from operating activities						13	\$ 121,543	\$			s	496,407
Operating income (loss)	\$	167,106		\$ 20	7,758	33	\$ 121,543	J.		12		
A disstments to reconcile net income (loss) to												
net cash provided by operating activities:		RELEASE			2017		61,226			2		619,785
Depreciation/amortization		315,712		24	2,847		27,004					49,322
Employer Pension Contributions		22,714			(396)							10,840
Employer OPEB Contributions		3,079			2,874		4,887					1010 1
Changes in operating assets, liabilities and												
deferred inflows and outflows:							10 (57					82.22
(Increase) decrease in receivables		32,981			8,588		40,657					(8,87
(Increase) decrease in inventory		(8,879			-		11	0		- 19		(7,47
(Increase) decrease in prepaid expenses		(5,305	5		(600)		(1,566			8		247,10
Increase (decrease) in accounts payable		12,482			39,767		(5,146	50				(25,93
Increase (decrease) in accrued liabilities		(5,337		j.	(9,127)		(11,469					
Increase (decrease) in customer deposits		(15,260	-		1,506		7,098					(6,65
Increase (decrease) in compensated absences	L.	(2,469			(2,766)	ŝ.	(10,90	)				(16,14
Increase (decrease) in landfill closure/post- closure liability		-				_	89,77	<u> </u>	_			89,77
Net cash flows from operating				0221 V-4	2000-00-0		\$ 323,10	2 5		-21	4	1,530,37
	- 5	516,824	1	\$ 6	00.451		\$ 323 10	e 3	N	-	D	140000401

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

### Reporting entity

The City of Ely (government) is a municipal corporation governed by an elected mayor and five-member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended component unit. The City of Ely Redevelopment Agency (Agency) serves all the citizens of the government and is governed by a board comprised of the mayor and the city's elected council. The Agency was established in fiscal year 2005 as a separate and distinct legal entity to plan and finance revitalization projects in the City's redevelopment districts in order to provide a diversified and strengthened economy in specified areas of the City. The Agency's activities are approved by the government's council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Agency is reported as a special revenue fund.

# Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

# Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund - This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Street Fund - This special revenue fund accounts for the receipt of fuel taxes and other revenues dedicated to funding the repairs, maintenance, and new construction of city streets and alleys.

# NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Fund - This fund is used to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital project needs within the City.

The government reports the following major enterprise funds:

Water Fund - This fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

Sanitation Fund - This fund accounts for the provision of sanitary sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

Landfill Fund - This fund accounts for the activities and transactions related to the operation of the regional landfill for all White Pine County residents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

Railroad Fund - This fund accounts for capital projects and other activity related to railroad lines owned by the City and the Nevada Northern Railway Foundation.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

# Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenues 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.

The 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

# Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

#### Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and shortterm investments with original maturities of three months or less from the date of acquisition. This is the same definition of cash and cash equivalents used for the statement of cash flows for the City's proprietary funds.

#### Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, banker's acceptances, commercial paper, negotiable certificates of deposit, and money market mutual funds. Investments for the government are reported at fair value, generally based on quoted market prices. See note 5 for further details.

### Receivables

The City's proprietary funds bill for services provided on a monthly basis. The City records revenues on a monthly basis as the revenue is earned. The City has recognized and recorded allowance for doubtful accounts on amounts with significant uncertainty regarding its collectability. The reported receivable funds are net allowances of \$20,118 for the water fund, \$22,770 for the sewer fund, and \$354,035 for the landfill fund.

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,500 and an estimated useful life of two or more years.

In the case of the initial capitalization of general infrastructure assets (i.e., those re-ported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	5 to 40 years
Improvements other than buildings	5 to 50 years
Machinery and vehicles	5 to 15 years
Infrastructure	15 to 25 years

### Compensated absences

The city's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Accumulated sick leave lapses when employees leave the employ of the city. Upon separation from service due to retirement specified amounts are paid to the retiring employees. No monetary obligation exists for other termination of employment.

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two types of items that qualify for reporting in this category, pension related items (see Note 8) and other post-employment benefits related items (see Note 14).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item which qualifies for reporting in this category, pension related items (see Note 8).

#### Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is generally the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied. From time to time, the City may make a conscious choice to use unrestricted funds first and save the restricted amounts for significant projects.

#### Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The city council (council) has by

# NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

resolution authorized the city clerk to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# Revenues and expenditures/expenses

### Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

#### Property taxes

The White Pine County Assessor assesses all real property by December 31, of each year. The County Treasurer bills and collects the City's share of property taxes. The County Treasurer remits, on a monthly basis, current and delinquent property tax collections to the City.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1st, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25th, the levy date, and property is liened on July 1st. Taxes on real property are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August, and the first Monday in October, January and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at the rate of 15 percent per year from the date the taxes were due (if four or more installments were delinquent), until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of the deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

For the fiscal year 2020-2021, the allowable tax rates in White Pine County met the maximum combined tax rate (\$3.66). The City of Ely exchanged its tax rate for an increased share of the County's consolidated tax, in accordance with state statute, thereby allowing the other entities in White Pine County to assess their rates Countywide.

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

# Proprietary funds operating and non-operating revenues and expenses

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

### Related party transaction

During the year ended June 30, 2021, the City granted \$161,277 in Coronavirus Relief Funds to the Nevada Northern Railway Foundation. Two members of the city council sit on the board of the Foundation.

# NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 13.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 15.

### NOTE 3 STABILIZATION FUND

Nevada Revised Statutes (NRS or statute) 354.6115 states that the governing body of a local government may, by resolution, establish a fund to stabilize the operation of the local government and mitigate the effects of natural disasters. In accordance with GASBS 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City's stabilization fund is included in the General Fund, as restricted fund balance, for the year ended June 30, 2021. The NRS also states that the money in this fund may be used only if the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses that money; or to pay expenses incurred by the local government to mitigate the effects of a natural disaster.

In addition, NRS 354.6115 states that the balance in the stabilization amount must not exceed 10 percent of the expenditures from the general fund for the previous fiscal year, excluding any federal funds expended by the local government.

During the fiscal year ended June 30, 2021, the City complied with the provisions of this section.

# NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Budgets and Budgetary Accounting

Annual budgets are legally adopted for all funds and use a basis of accounting consistent with accounting principles generally accepted in the United States of America.

# NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Prior to April 15, the City Treasurer submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada State Department of Taxation, and the Citizens via public hearings. The Nevada State Department of Taxation notifies the City Council of whether or not the budget is in compliance with the law and appropriate regulations. All changes to the tentative budget are made at the Public hearing conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1, and submits it to the Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the fund financial statements are those prescribed by the Nevada Department of Taxation.

All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Treasurer is authorized to transfer budgeted amounts within functions (General Fund) or funds, if the City Council is notified at the next regular meeting, and the action is noted in the official minutes. Revisions which affect the total fund appropriations, or transfers between funds, are accomplished through formal City Council approval. No supplemental appropriations were approved for the year. Nevada Law requires budgetary control to be exercised at the function level.

### Restrictions and Commitments for Other Purposes

The City has a number of special revenue funds established to account for revenues which are designated for specific purposes. Some of the designations are externally imposed (restricted for other purposes) and some have been self-imposed by the City Council (committed for other purposes).

These restricted and committed amounts are reported in the combining schedules included in the supplemental information. The name of each fund indicates the purpose for which the funds have been designated.

### NOTE 5 CASH AND INVESTMENTS

A reconciliation of cash deposits and investments to the government-wide statement of net position as follows:

Cash on hand and on deposit:	\$	600
Petty cash Cash on deposit		6,755,207
Money market investments	·	7,318,862
Total cash and investments	\$	14,074,669

Cash and investments are included in the accompanying statement of net position as follows:

	 vernmental Activities	siness-type Activities	 Total
Cash and cash equivalents Restricted cash and cash equivalents	\$ 1,892,628 700,897	\$ 6,619,866 4,861,278	\$ 8,512,494 5,562,175
Total cash and investments	\$ 2,593,525	\$ 11,481,144	\$ 14,074,669

### NOTE 5 CASH AND INVESTMENTS (Continued)

#### Deposits

Custodial Credit Risk. For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned. The City does not have a formal policy for custodial credit risk. As of June 30, 2021, the City's bank balance of \$14,200,346 was covered in the amount of \$677,490 by federal depository insurance and the remainder was subject to collateralization by the office of the State Treasurer/Nevada Collateral Pool.

### Investments

The provisions of State Law (NRS 355.170) govern the investment of public funds as noted in Footnote 1.

As of June 30, 2021 the government had the following investments:

	Fair Value	Credit Rating_	Weighted Avg. Maturity	
Investments First National Bank of Ely, Market Interest Account	\$ 7,318,862	N/A	Demand	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The money market interest account is valued using significant other observable inputs (Level 2 inputs).

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loses arising from increasing interest rates.

Credit Risk. State law limits investments to items noted in the summary of significant accounting policies, Footnote 1. The city has no investment policy that would further limit is investment choices at June 30, 2021. The investments in the First National Bank of Ely market interest accounts are covered by FDIC insurance and collateral held by a third-party agent but are unrated.

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issue.

### Cash Restricted for Use

The City maintains restricted cash to comply with various legal and contractual requirements. Amounts restricted are as follows at June 30, 2021:

	A	mount
Budget stabilization	\$	136,647 150,834
Judicial Debt reserves		205,845
Capital improvements		3,575,809 65,011
Retainage payable Lanfill closure trust		1,044,670 383,359
Community development	\$	5,562,175
Total restricted cash and cash equivalents	5	Cyc chight / C

# NOTE 6 CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2021 was as follows:

Governmental activities:		ginning Salance	Ad	ditions	De	eletions		Ending Balance
Capital assets, not being depreciated: Land	\$	275,931	\$	<u> </u>	\$	(17,879)	\$	258,052
Total capital assets not being depreciated		275,931	_			(17,879)		258,052
Capital assets, being depreciated:								< - 10 A11
Streets		6,539,411		3,900		<b>T</b> 2		6,543,311
Flood control		1,016,736		-				1,016,736
Improvements other than buildings		882,770		<u></u>		~		882,770
Buildings		2,276,939		-		-		2,276,939
Vehicles and equipment		3,593,860		533,826		(53,053)		4,074,633
Total capital assets being depreciated		14,309,716		537,726		(53,053)		14,794,389
Less accumulated depreciation for:				(100 201)				(5,487,617)
Streets		(5,379,316)		(108,301)				(901,977)
Flood control		(892,522)		(9,455)		-		(414,784)
Improvements other than buildings		(366,150)		(48,634)		-		
Buildings		(1,062,471)		(26,805)				(1,089,276)
Vehicles and equipment		(2,222,299)		(207,600)		38,553	_	(2,391,346)
Total accumulated depreciation		(9,922,758)		(400,795)		38,553	_	(10,285,000)
Total capital assets, being depreciated, net	_	4,386,958		136,931		(14,500)	_	4,509,389
Governmental activities capital assets, net	\$	4,662,889	\$	136,931	\$	(32,379)	\$	4,767,441

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

¢.	28,916
Ψ	179,461
	14.821
	5,205
	25,998
	146,394
	110,077
\$	400,795
	\$ \$

# NOTE 6 CAPITAL ASSETS (Continued)

Business-type capital asset activity for the year ended June 30, 2021 was as follows:

Business-type activities:		Beginning Balance		Additions		Deletions		Ending Balance	
Capital assets, not being depreciated:									
Land and easements	\$	1,840,478	\$		\$	-	\$	1,840,478	
Contruction in progress	_	273,744		765,078		-	-	1,038,822	
Total capital assets not being depreciated		2,114,222		765,078			-	2,879,300	
Capital assets, being depreciated:									
Treatment facilities and improvements		25,275,925		196,617		-		25,472,542	
Buildings		619,083		•		(98,310)		520,773	
Machinery, equipment and vehicles		2,385,909		82,978		-		2,468,887	
Georgetown Ranch		50,014			_			50,014	
Total capital assets being depreciated		28,330,931		279,595		(98,310)		28,512,216	
Less accumulated depreciation for:									
Treatment facilities and improvements		(13,448,216)		(566,018)		-		(14,014,234)	
Buildings		(247,916)		(24,116)		-		(272,032)	
Machinery, equipment and vehicles		(1,907,201)		(29,651)				(1,936,852)	
Georgetown Ranch		(8,214)		-	_		_	(8,214)	
Total accumulated depreciation		(15,611,547)		(619,785)				(16,231,332)	
Total capital assets, being depreciated, net	_	12,719,384		(340,190)	_	(98,310)		12,280,884	
Business-type activities capital assets, net	s	14,833,606	\$	424,888	\$	(98,310)	\$	15,160,184	

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

Business-type activities:		216 712
Water	2	315,712
Sanitation		242,847
Landfill		61,226
		619,785
Total depreciation expense - business-type activities	2	019,705

### NOTE 7 LONG-TERM LIABILITIES

Governmental Activities:		ginning alance	Ad	ditions	D	eletions	Ending Balance	1000	e Within ne Year
Notes payable from direct borro	wings:								
2005 Fire station note	\$	247,548	\$	1	s	(19,937)	\$ 227,611	\$	20,736
2017 Ambulance note	1200	91,570				(14,644)	 76,926		14,966
Total notes payable		339,118				(34,581)	304,537		35,702
Other liabilities:									
Capital lease		101,408		-		(27,462)	73,946		28,874
Compensated absences		99,969		53,442		(82,974)	 70,437		58,462
Total other liabilities		201,377		53,442		(110,436)	 144,383		87,336
Total governmental activities long term liabilities	s	540,495	\$	53,442	\$	(145,017)	\$ 448,920	\$	123,038

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

The General Fund provides the resources for the retirement of compensated absences. Interest of \$15,992 is included as a direct expense in the public safety function.

### **Business-type Activities:**

ements	12								
\$	731,017	\$		\$	(33,736)	s	697,281	\$	35,486
	1,410,912				(39,916)	_	1,370,996		42,048
_	2,141,929		-		(73,652)		2,068,277		77,534
_	71,827		43,476		(59,616)		55,687		46,219
\$	2,213,756	\$	43,476	\$	(133,268)	\$	2,123,964	\$	123,753
	10.2	\$ 731,017 1,410,912 2,141,929 71,827	\$ 731,017 \$ 1,410,912 2,141,929 71,827	\$ 731,017 \$ - 1,410,912 - 2,141,929 - 71,827 43,476	\$ 731,017 \$ - \$ 1,410,912 - 2,141,929 - 71,827 43,476	\$ 731,017       \$ -       \$ (33,736)         1,410,912       -       (39,916)         2,141,929       -       (73,652)         71,827       43,476       (59,616)	\$ 731,017 \$ - \$ (33,736) \$ 1,410,912 - (39,916) 2,141,929 - (73,652) 71,827 43,476 (59,616)	\$ 731,017       \$ -       \$ (33,736)       \$ 697,281         1,410,912       -       (39,916)       1,370,996         2,141,929       -       (73,652)       2,068,277         71,827       43,476       (59,616)       55,687	1,410,912       -       (39,916)       1,370,996         2,141,929       -       (73,652)       2,068,277         71,827       43,476       (59,616)       55,687

### **Governmental Activities**

### Notes Payable from Direct Borrowings

U.S. Department of Agriculture promissory note, original issue of \$463,109, interest at 4.125%, principal and interest due monthly beginning October 2005, with the final payment due September 2030. The note was issued for the completion of the new fire station. The note is secured by a Deed of Trust on the fire station.

### NOTE 7 LONG-TERM LIABILITIES (Continued)

2015 Fire Station Note									
P	rincipal	In	terest		Total				
\$	20,736	\$	9,000	\$	29,736				
	21,608		8,128		29,736				
	22,497		7,239		29,736				
	23,462		6,274		29,736				
	24,448		5,288		29,736				
	114,860		10,464	-	125,324				
\$	227,611	\$	46,393	\$	274,004				
	2020	Principal \$ 20,736 21,608 22,497 23,462 24,448 114,860	Principal         In           \$ 20,736         \$           21,608         \$           22,497         \$           23,462         \$           24,448         \$           114,860         \$	Principal         Interest           \$ 20,736         \$ 9,000           21,608         8,128           22,497         7,239           23,462         6,274           24,448         5,288           114,860         10,464	Principal         Interest           \$ 20,736         \$ 9,000         \$           21,608         8,128         22,497         7,239           23,462         6,274         24,448         5,288           114,860         10,464				

The annual debt service requirements to maturity are as follows:

U.S. Department of Agriculture promissory note, original issue of \$134,500, interest at 2.375%, principal and interest due monthly beginning June 2017, with the final payment due May 2026. The note was issued for the purchase of an ambulance. The note is secured by the ambulance.

The annual debt service requirements to maturity are as follows:

	2017 Ambulance Note									
Year Ending June 30,	Pr	incipal	Interest			Total				
2022	\$	14,966	\$	1,666	\$	16,632				
2023	987-00	15,326		1,306		16,632				
2024		15,691		941		16,632				
		16,070		562		16,632				
2025 2026		14,873		123		14,996				
Total	\$	76,926	s	4,598	\$	81,524				

The City's outstanding note from direct borrowings is secured with pledged tax revenues. The City's note contains a provision that in an event of default, the state of Nevada would assume responsibility. The City's notes do not have a terminating event clause or a subsequent acceleration clause.

### Capital Lease

2008 capital lease financing of a 75-foot aerial ladder truck for \$330,733. Principal and interest due annually beginning October 2009, with interest at 5.145%. The final payment is due October 2023. The City may end the lease any year by not appropriating funds for the lease and returning the equipment or by paying the purchase option price each October as stated in the lease.

### NOTE 7 LONG-TERM LIABILITIES (Continued)

The future minimum lease payment for the capital lease and the present value of net minimum lease payment at June 30, 2021, is as follows:

Year Ending June 30,		'nmental tivities
2022		32,679
2023		32,679
2024	3	15,467
Total minimum lease payments		80,825
Less: Amount representing interest		(6,879)
Present value of net minimum lease payments	S	73,946

Equipment and related accumulated depreciation under capital lease are as follows:

Aerial ladder truck Accumulated depreciation	\$ 450,443 (352,787)
	\$ 97,656

#### **Business-type Activities**

# Revenue Bonds Payable from Direct Placements

1996 Water Revenue Bond, original issue of \$1,189,800, principal and interest due in monthly installments beginning February 1996, with interest at 5.00%. The final payment is due January 2036. The bond was issued to refund the interim water revenue bonds, which were used to fund the Southside Water Project. The City has pledged income derived from the constructed assets to pay the debt service.

Revenue bond debt service requirements to maturity are as follows:

	1996 Water Revenue Bond						
Year Ending June 30,	Principal		h	Interest		Total	
2022	\$	35,486	\$	34,054	\$	69,540	
2022		37,302		32,238		69,540	
2023		39,127		30,413		69,540	
2024		41,212		28,328		69,540	
2025		43,321		26,219		69,540	
		252,137		95,563		347,700	
2027-2031 2032-2035		248,696		25,746		274,442	
Total	\$	697,281	\$	272,561	\$	969,842	

Series 2001 Sewer Revenue Bond, original issue of \$1,900,000, principal and interest due in monthly installments beginning October 2001, with interest at 4.75%. The final payment is due September 2041. The proceeds were used to refund interim sewer bonds, which were used to fund the Wastewater Treatment Project. The City has pledged income derived from the constructed assets to pay the debt services.

### NOTE 7 LONG-TERM LIABILITIES (Continued)

	 2001 Sewer Revenue Bond						
Year Ending June 30,	 Principal		Interest		Total		
2022	\$ 42,048	\$	64,200	\$	106,248		
2023	44,090		62,158		106,248		
2024	46,065		60,183		106,248		
2025	48,466		57,782		106,248		
2026	50,819		55,429		106,248		
2027-2031	293,430		237,810		531,240		
2032-2036	371,882		159,358		531,240		
2037-2041	471,928		59,312		531,240		
2042	 2,268		9		2,277		
Total	\$ 1,370,996	\$	756,241	\$	2,127,237		

Revenue sewer bond debt service requirement to maturity are as follows:

The City's outstanding bonds from direct placements are secured with pledged system revenues. The City's bond issues contain a provision that in an event of default, the systems and subsequent revenues would default to the State of Nevada. The City's debt issues do not have a terminating event clause or a subsequent acceleration clause.

### NOTE 8 DEFINED BENEFIT PENSION PLAN

#### Plan description

The Public Employees' Retirement System of Nevada (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System 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, 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 the System 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 the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the system after July 1, 2015, there is a 2.25% factor. The System 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.

### NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

#### Vesting

Regular members entering the system 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 thirty years of service. Regular members entering the System 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 thirty years of service. Regular members entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with thirty years of service, or any age with thirty-three and one third years of service.

Police/Fire members entering the System 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 twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System 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 twenty years of service, or age 50 with ten years of service, or age 50 with ten years of service, or age 50 with twenty years of service, or age 50 with twenty years of service, or age 50 with twenty years of 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. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC).

The System's 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.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System 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 Normal 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 years ended June 30, 2021 and June 30, 2020 the Statutory Employer/employee matching rate was 15.25% for Regular and 22.00% for Police/Fire. The Employer-pay contribution (EPC) rate was 29.25% for Regular and 42.50% for Police/Fire.

### NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

The City's contributions for the current and two preceding fiscal years, all of which were equal to the required contributions, were as follows:

_	Year ended June 30,	Regular Members	Police/Fire	Total tributions
	2021	29.25%	42.50%	\$ 266,412
	2020	29.25%	42.50%	281,621
	2019	28.00%	40.50%	210,325

#### Investment policy

The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board (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 Board adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stocks	42%	5.50%
International stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private markets	12%	6.65%

\*As of June 30, 2020, PERS' long-term inflation assumption was 2.75%

### **Pension liability**

### 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 employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. The City's proportion measured as of June 30, 2020, was 0.02702 percent, which was a increase of 0.00517 percent from its proportion measured as of June 30, 2019.

### Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2020, calculated using the discount rate of 7.50%, as well as what the PERS 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 (6.50%)		(7.50%)	1% Increase (8.50%)		
Proportionate share of the net pension liability	\$ 5,869,507	\$	3,763,953	\$	2,012,396	

### NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Annual Comprehensive Financial Report, available on the PERS website at 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%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%
	Police/Fire: 4.55% to 13.90%, depending on service
	Rates include inflation and productivity increases
Investment rate of return	7.50%
Mortality Rates (Regular and Police/Fire)	
Healthy.	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 members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are
(20) (22)	then projected to 2020 with Scale MP-2016.
Disabled	<ul> <li>Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.</li> </ul>
Pre-retirement	The second secon

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 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 study for the period July 1, 2012 through June 30, 2016.

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 plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

### NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

### Pension expense and deferred outflows/inflows of resources related to pensions

For the year ended June 30, 2021, the City recognized pension expense for PERS of \$145,747. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		red Outflows Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$	116,943	\$	48,602	
Changes in assumptions		105,725		-	
Net difference between projected and actual earnings on pension plan investments		с. С		142,187	
Changes in proportion and differences between contributions and proportionate share of contributions		765,687		714,243	
Contributions subsequent to the measurement date		266,412			
Total	\$	1,254,767	\$	905,032	

The \$266,412 reported as deferred outflows of resources related to PERS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions will be recognized in pension expense as follows:

Year Ended June 30,	Outfl	Deferred ows (Inflows) Resources
2022	\$	(155,547)
2023		77,392
2024		89,379
2025		62,533
2026		8,931
Thereafter		635

### NOTE 9 CLOSURE AND POST-CLOSURE CARE COST

State and Federal laws and regulations require the City to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized, based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

### NOTE 9 CLOSURE AND POST-CLOSURE CARE COST (Continued)

The recognition of these landfill closure and post-closure care costs are based on a regulatory formula (NAC 444,6853). The estimated total current cost of the landfill closure and post-closure care (\$3,776,118) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2021, as adjusted for inflation. It is estimated that an additional \$2,781,450 will be recognized as closure and post-closure care expenses over the next 49 years, which is the time between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2070).

The estimated liability for landfill closure and post-closure care costs has a balance of \$994,618 as of June 30, 2021, which is based on 26.34% usage (filled) of the landfill. Expenses and liabilities are based on what it would cost to perform all closure and post closure care for the landfill in 2021, the actual cost of closure and post-closure care may be higher due to changes in technology or changes in landfill laws and regulations.

The City is required by State and Federal laws and regulations to provide assurance that it will be able to finance closure and post-closure care costs. The City has recognized the liability for closure and post-closure care and has set aside the required fund in a trust account held at the First National Bank of Ely. The balance in the trust account as of June 30, 2021 was \$1,044,670.

### NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has joined together with similar public agencies (cities, counties, and special districts through the State of Nevada) to create two pools under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The City pays an annual premium and specific deductibles, as necessary, to NPAIP for its general insurance coverage, which includes its component unit. NPAIP is considered a self-sustaining risk pool that will provide coverage for its members up to \$200,000 per insured event for property and crime claims and \$500,000 for casualty claims. NPAIP obtains independent coverage for insured events in excess of these self-insured retentions.

The second pool is the Public Agency Compensation Trust (PACT), which was created April 1, 1997. This pool is a public entity risk pool which provides workers' compensation coverage.

The City pays an annual premium to PACT for its workers' compensation coverage. PACT is considered a self-sustaining risk pool that will provide coverage for its members up to \$350,000 (\$750,000 for public safety employees) per insured event. PACT obtains independent coverage for insured events in excess of the \$350,000/\$750,000 limit.

### NOTE 11 ELY RAILROAD FUND

The rail line from the old Kennecott mine to Cobre Junction is now owned by the City and the Nevada Northern Railway Foundation. The City received deeds to the land comprising the right-of-way from the United States government acting through the Bureau of Land Management.

#### NOTE 11 ELY RAILROAD FUND (Continued)

The rail line from the old Kennecott mine to mile marker 128 is used by the Nevada Northern Railway Foundation to operate a historic tourist train and museum. This portion of the rail line is recorded on the Foundation's books as the day-to-day control lies with the Foundation. The balance of the rail line is recorded on the City's records in the Ely Railroad Enterprise Fund.

#### NOTE 12 CITY WATER FLOW MITIGATION

The City experienced a decrease in the flow of its main water source when a nearby mine began dewatering efforts to increase the amount of available ore. The mine is mitigating the effects of the decreased water flow by rehabilitating the old City wells and drilling new wells. The mine has agreed to pay all costs of rehabilitation and to pay all additional pumping costs associated with the temporary substitution of subsurface water rights for the existing surface water rights.

The mine has further agreed to pay the additional costs for a period of up to 25 years after the dewatering has ceased and to create a fund to guarantee the payment of the additional costs. The fund is being administered as a trust with a banking institution mutually agreed to by both parties, with an appointed trustee. The trust funding goal is \$3,750,000, exclusive of accumulating interest, which was reached for complete funding in the year ending June 30, 2017, as was required by the agreement.

#### NOTE 13 S&S SHORLINE LEASING LLC

The City and the Nevada Northern Railway Foundation have entered into a joint development agreement with S&S Shortline Leasing LLC for development of a rail car facility on the rail line at or near Shafter Junction and Cobre Junction. The line has been rehabilitated and is available for rail car storage. The City and the Ely Railroad Enterprise fund have no obligation for the rehabilitation costs. S&S Shortline Leasing LLC does not have financial statements available.

### NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

In accordance with NRS, the City provides other postemployment benefits to eligible retirees through the Nevada Public Employees' Benefits Program (PEBP), a multiple-employer cost sharing plan, administered by a ten-member governing board appointed by the Governor, including an Executive Officer who directs the program and serves at the pleasure of the Board. The plan provides healthcare, dental, vision, and life insurance benefits.

PEBP issues a publicly available financial report that includes financial statements and required supplemental information available at https://pebp.state.nv.us/.

#### Benefits provided

PEBP eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the City is obligated to provide postemployment benefits is limited to eligible employees who retired from City service prior to December 1, 2008. No future retirees are eligible for this benefit.

The City is required to provide a subsidy, based on years of service for a closed group of its retirees that have enrolled in PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. At June 30, 2021, employees covered by PEBP consisted of 15 former employees. There are no active City employees covered by or eligible for coverage under PEBP.

### NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

### Actuarial assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2019
Measurement date	. June 30, 2020
Inflation	
Salary Increases	N/A - no active employee in this plan
Discount rate	3.51% as of June 30, 2019
	2.21% as of June 30, 2020
Discount rate source	. Bond Buyer 20-Bond General Obligation Index
Actuarial cost method	. Entry age normal cost, closed group, level percent of pay
Healthcare cost trend rates	5.40% for 2021, decreasing to 4.00% for 2076 and after

The basic mortality rates used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2017, except for a different basis used to project future mortality improvements.

#### Non-disabled life rates for regular employees:

Males and Females: Headcount-Weighted RP-2014 Healthy Annuitant Table

#### Disabled life rates for regular employees:

Males and Females: Headcount-Weighted RP-2014 Disabled Retiree Table, set forward 4 years

These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2020 on a generational basis from 2018 forward.

#### Contributions

City contributions to the Plan occur as benefits are paid to retirees. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees. Contributions to the Plan from the City were \$18,486 for the year ended June 30, 2021 (measurement date June 30, 2020).

#### **OPEB** liability

### Net OPEB liability

On June 30, 2021, the City reported a net OPEB liability of \$294,169 for PEBP. The net liability was measured as of June 30, 2020, determined by an actuarial valuation as of June 30, 2019. The city makes no contribution to an OPEB trust so the total liability is equal to net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. The total OPEB liability as of June 30, 2020 reflects a change in the use of discount rates of 3.51% as of June 30, 2019 and 2.21% as of June 30, 2020. There were no other significant changes of actuarial assumptions. The projections are based on established patterns of practice.

#### OPEB liability discount rate sensitivity

The City's total OPEB liability at June 30, 2021, calculated using the discount rate of 2.21%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate was as follows:

Total OPEB liability - PEBP	1% Decrease		Discount Rate		1% Increase	
	(1.21%)		(2.21%)		(3.21%)	
Total OPEB liability - PEBP	\$	325,470	\$	294,169	\$	267,341

### NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### OPEB liability discount rate sensitivity

The City's total OPEB liability at June 30, 2021, calculated using the discount rate of 2.21%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate was as follows:

otal OPEB liability - PEBP		1% Decrease (1.21%)		Discount Rate (2.21%)		1% Increase (3.21%)	
Total OPEB liability - PEBP	s	325,470	\$	294,169	\$	267,341	

### OPEB liability healthcare cost trend rates sensitivity

The City's total OPEB liability at June 30, 2021, calculated using the healthcare trend rate of 5.40%, decreasing to 4.00% by 2076, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower or 1.00% higher than the current healthcare trend rate was as follows:

			He	ealthcare		
	1%	Decrease	Tr	end Rate	1% Increase	
Total OPEB liability - PEBP	\$	269,751	\$	294,169	\$	322,047

### Changes in the total OPEB liability

Changes in the total OPEB liability for the year ended June 30, 2021 summarized below:

Interest cost	Total OPEB Liability			
	\$	9,139		
Changes of assumptions*		34,111		
Benefit payments	2	(18,881)		
Net change		24,369		
Beginning balance	Ø.	269,800		
Ending balance	\$	294,169		

\* Change in discount rate from 3.51% as of June 30, 2019 to 2.21% as of June 30, 2020.

#### OPEB expense

For the year ended June 30, 2021, the City recognized OPEB expense for PEBP of \$43,250.

#### Deferred outflows/inflows of resources related to OPEB

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

	Deferred Outflows of		1000	erred ows of
	10000	sources	Resources	
Contributions subsequent to the measurement date	\$	18,486	\$	2

### NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The amount (\$18,486) 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 net OPEB liability in the subsequent fiscal year.

### NOTE 15 INTERFUND TRANSACTIONS AND BALANCES

Interfund receivables for the year ended June 30, 2021 are as follows:

		terfund ceivable
	1.1	andfill Fund
Interfund Payable	6	
General Fund	\$	92,646

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Residual outstanding balances between the governmental activities and the business-type activities are netted and reported in the government-wide financial statements as internal balances. The Council has determined terms of repayment for the above interfund balances and the amount will be repaid over the next five fiscal years.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The City had the following transfers for the year ended June 30, 2021:

	Transfer			
	5	Street		
		Fund		
Transfer Out				
General Fund	\$	15,000		

### NOTE 16 CONTINGENT LIABILITIES

The City is a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. Litigation where loss to the City is reasonably possible has not been accrued and any such liability cannot currently be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND For the Year Ended June 30, 2021

	Budgeted Amounts		nts	Actual		Variance with			
		Original		Final		Amounts		final budget	
Revenues									
Taxes:				1.11	523		223		
Franchise tax	S	183,000	s	183,000	\$	80,311	\$	(102,689)	
Excise tax	÷	4,400	_	4,400		9,285		4,885	
Total taxes		187,400	_	187,400		89,596		(97,804	
Licenses and permits:									
Business licenses		112,000		112,000		163,408		51,408	
Animal licenses		2,500		2,500		2,210		(290	
Building permits		40,000		40,000		52,696		12,696	
Building - misc.		500		500		560		60	
Excavation permits		2,000		2,000	-	1,540		(46)	
Total licenses and permits		157,000		157,000	_	220,414		63,414	
Intergovernmental revenue:									
Consolidated tax		1,393,906		1,393,906		1,685,857		291,95	
Share of county gaming tax		15,000		15,000		47,565		32,56	
City/County/Tribal co-op - first responder		6,000		6,000		6,000		-	
City/County co-op - public safety		31,841		31,841		32,319		47	
City/County co-op - planning		36,258		36,258		36,983		72	
City/County co-op - fire services		150,000		150,000		150,000		-	
Building department fuel charge		3,725		3,725		1,350		(2,37	
Grant - CARES Act		-		479,205		479,205			
Grant - CDBG		-		12,229		12,229		-	
Grant - CCCHP				70,000		20,558		(49,44	
		-		9,000		8,984		(1	
Grant - WPC fair and recreation - parks				2,144		644		(1,50	
Grant - fire department Grant - humane network				16,903				(16,90	
		1,636,730		2,226,211		2,481,694		255,48	
Total intergovernmental revenue		1,000,100		2,220,01011					
Charges for services:		20,000		20,000		31,588		11,58	
Cemetery charges		2,400		2,400		6,736		4,33	
Work cards		300,000		300,000		467,053		167,05	
Fire ambulance service Miscellaneous		4,000		4,000		6,969		2,96	
Total charges for services		326,400		326,400	-	512,346		185,94	
1.400 P. 1.4		020,100	-						
Fines and forfeitures: Court fines		53,600		53,600		56,470		2,8	
		1,600		1,600		1,341		(2)	
Evidentiary fee		1,600		1,600		834		(76	
Public defender fee		360		360		245		(1)	
Notice fees Miscellaneous court fees		800		800		3,130		2,33	
Total fines and forfeitures		57,960		57,960		62,020		4,0	
		2,880	_	2,880		7,640		4,70	
Interest camed		2,000	_	49000	-				
Miscellaneous:		16.000		15 000		16,554		1,5	
Rents and leases		15,000		15,000				5,7	
Miscellaneous			× <u> </u>	400		6,144	-		
Total miscellaneous	-	15,000	-	15,400		22,698		7,2	
Total revenues	\$	2,383,370	\$	2,973,251	\$	3,396,408	\$	423,1	

# CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND (Continued) For the Year Ended June 30, 2021

network in the cost

	Budgeted Amounts							
	Original Final		Final	Actual Amounts		Variance with final budget		
expenditures								
General government:								
Legislative:								
Mayor and council:								
Salaries and wages	\$	8,138	\$	9,108	\$	8,464	\$	(644)
Employee benefits		3,512		3,512		3,319		(193)
Services, supplies and other		2,540		2,540	-	1,680		(860)
Total legislative		14,190		15,160		13,463		(1,697)
Administration:								
City clerk:								
Salaries and wages		30,502		34,502		34,062		(440)
Employee benefits		30,213		30,213		24,245		(5,968)
Services, supplies and other		19,760	_	19,760		23,612		3,852
Total administration		80,475		84,475		81,919	-	(2,556)
Finance:								
City treasurer:								
Salaries and wages		12,032		15,302		16,824		1,522
Employee benefits		6,989		6,989		8,128		1,139
Services, supplies and other		33,420		44,320	-	27,806		(16,514)
Total finance		52,441		66,611		52,758	_	(13,853)
Total general government		147,106		166,246		148,140		(18,106)
Judicial:								
City court:								10.005
Salaries and wages		63,404		63,404		73,409		10,005
Employee benefits		39,393		39,393		38,151		(1,242
Services, supplies and other		37,676		37,676		16,918		(20,758
Total city court		140,473		140,473		128,478		(11,995
City attorney:						122302227		
Salaries and wages		17,500		5,700		2,753		(2,947
Employee benefits		8,246		8,246		604		(7,642
Services, supplies and other		209,273		158,773		139,548		(19,225
Total city attorney		235,019		172,719		142,905		(29,814
Total judicial	-	375,492	-	313,192		271,383	-	(41,809
Public safety:								
Law enforcement:								
City/County law enforcement contract		584,692		584,692		584,692		-
Fire department:		0000000000		-		(20.001		(22.47
Salaries and wages		637,609		675,109		652,631		(22,47)
Employee benefits		381,720		381,720		353,962		(27,758
Services, supplies and other		142,020		169,020		169,478		45
Grants	3341	•	2	14,373	-	14,373		
Total fire department		1,161,349	_	1,240,222		1,190,444	-	(49,778
Total public safety	\$	1,746,041	s	1,824,914	\$	1,775,136	\$	(49,77)
# CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND (Continued) For the Year Ended June 30, 2021

	Budge	ted An	noun	ts			Variance with		
	Original		F	inal		nounts	final budget		
expenditures (Continued)		00 - Q7							
Public works:									
Engineering:	31 3312	200 4	2	- 100		e 1969	\$	319	
Salaries and wages	\$ 5,43	3.0	\$	5,438	\$	S. S. C. S. S	Э	(449)	
Employee benefits	3,04			3,041		2,592		(7,164)	
Services, supplies and other	35,80	3		34,363	-	27,199			
Total engineering	44,28	2		42,842		35,548		(7,294)	
Building department:	120102					79 (20)		3,886	
Salaries and wages	74,75			74,753		78,639		(4,993)	
Employee benefits	48,22			42,227		37,234			
Services, supplies and other	7,93	6		15,936		13,576		(2,360)	
Total building department	130,91	6		132,916		129,449		(3,467)	
Total public works	175,19	8		175,758		164,997		(10,761)	
Health and sanitation:									
Animal control:	110 01 04			Care ave		40.024		2867	
Salaries and wages	41,56			47,067		49,634		2,567	
Employee benefits	21,88			21,883		22,190		307	
Services, supplies and other	9,94	0		27,343		22,542		(4,801)	
Total animal control	73,39	0		96,293		94,366		(1,927)	
Cemetery:				10 200		53,138		4,429	
Salaries and wages	38,40			48,709				2,337	
Employee benefits	25,7			27,522		29,859 7,481		(7,279)	
Services, supplies and other	14,70	50		14,760				104098	
Total cemetery	78,8	91		90,991		90,478	_	(513)	
Total health and sanitation	152,2	81	-	187,284		184,844	-	(2,440)	
Culture and recreation:									
Parks department:				43,909		44,974		1,065	
Salaries and wages	38,4			43,909		26,080		(3,642)	
Employee benefits	25,7			- MC255		11,531		(329)	
Services, supplies and other	11,8	60		11,860	-	145-125-03	-	500-115 X 60-62	
Total culture and recreation	75,9	91	-	85,491		82,585		(2,906)	
Community support:				0.000		8,664		(336	
Grant - WPC fair and recreation - parks				9,000		1.000		(550)	
Grant - CARES Act				479,205		479,205		(49,442)	
Grant - CCCHP	à			70,000 400		20,558 292		(108	
Services, supplies and other		·	-	- CARLONN		508,719		(49,886	
Total community support		-	-	558,605	-	Constant Contractor		(175,686	
Total expenditures	2,672,	109		3,311,490	-	3,135,804		(175,000	
Excess (deficiency) of revenues	(288,	739)		(338,239)		260,604		598,843	
over (under) expenditures		- Andrew							
Other financing sources (uses)						8,700		8,700	
Sale of capital assets		-		-		and the second second second		-	
Transfers out	(30,	(000)	-	(15,000)	-	(15,000)			
Total other financing sources (uses)	\$ (30,	(000)	\$	(15,000)	-	(6,300)	s	8,700	
Net change in fund balance						254,304			
						692,060			
Fund balance, beginning of year					\$	946,364			

## CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL STREETS SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	-	Budgeted	Amou			11.11.11.11.12		
	0	riginal		Final		ctual nounts	Variance with final budget	
Revenues								
Intergovernmental:								
Gas tax 2.35	\$	123,928	\$	123,928	\$	123,407	\$	(521)
Gas tax 1 cent option		24,886		24,886		30,789		5,903
Motor vehicle, 1.75 gas tax		12,506		12,506		15,522		3,016
County contribution		22,540		22,540		22,540		
OHV state grant		-		4,439		4,439		
Public transit fund		147,880		147,880		115,161		(32,719)
Regional transportation commission	-	482,980	_	482,980		384,942		(98,038)
Total intergovernmental	0	814,720		819,159		696,800		(122,359)
Other revenues:								
Miscellaneous						918		918
Grants and donations		•		-		20,000		20,000
Total other revenues				10-13 11-13		20,918		20,918
Total revenues		814,720		819,159		717,718		(101,441)
Expenditures								
Highways and streets:								6 (10
Salaries and wages		134,688		134,688		141,307		6,619
Employee benefits		82,851		82,851		75,778		(7,073)
Service, supplies, and other	-	630,860		635,299	-	502,752		(132,547)
Total highways and streets	-	848,399		852,838		719,837		(133,001)
Total expenditures		848,399		852,838	-	719,837		(133,001)
Excess (deficiency) of revenues over (under) expenditures	<u> </u>	(33,679)		(33,679)	. <u></u>	(2,119)		31,560
Other financing sources (uses)				20.000		16 000		(15,000)
Transfers in		30,000	-	30,000		15,000		
Total other financing sources (uses)	S	30,000	\$	30,000	-	15,000	\$	(15,000)
Net change in fund balance						12,881		
Fund balance, beginning of year					-	28,984		
Fund balance, end of year					\$	41,865		

### CITY OF ELY, NEVADA SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA June 30, 2021 Last 10 Measurement Dates\*

### Measurement Date: June 30,

Proportion of the net pension liability (asset)	
2014	0.0229260%
2015	0.0286300%
2016	0.0297730%
2017	0.0274100%
2018	0.0285600%
2019	0.0218500%
2020	0.0270200%
Proportionate share of the net pension liability (asset)	
2014	\$ 2,389,345
2015	3,281,185
2016	4,006,645
2017	3,645,398
2018	3,894,278
2019	2,979,213
2020	3,763,953
Covered payroll	
2014	\$ 1,343,720
2015	1,457,944
2016	1,555,932
2017	1,617,055
2018	1,727,881
2019	1,398,423
2020	1,734,858
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	
2014	177.82%
2015	225.06%
2016	257.51%
2017	225.43%
2018	225.38%
2019	213.04%
2020	216.96%
Plan fiduciary net position as a percentage of the total pension liability (asset)	county
2014	76.31%
2015	75.10%
2016	72.20%
2017	72.23%
2018	75.24%
2019	76.46%
2020	77.04%

\* The 10-year sheedule will be built prospectively. The schedule above is only for the years listed.

-

### CITY OF ELY, NEVADA SCHEDULE OF CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA June 30, 2021 Last 10 Year Ends\*

For the year ended June 30,

n waar been de de eerste een weerste een na de de de de eerste de	
Actuarial Determined Contributions	
2015	\$ 220,982
2016	252,435
2017	246,365
2018	264,906
2019	210,325
2020	281,621
2021	266,412
Contributions in relation to the contractually required Contribu	0.000000000
2015	\$ 220,982
2016	252,435
2017	246,365
2018	264,906
2019	210,325
2020	281,621
2021	266,412
Contribution deficiency (excess)	
2015	\$ 
2016	-
2017	
2018	-
2019	-
2020	5
2021	5
Covered payroll	1 457 044
2015	\$ 1,457,944
2016	1,555,932 1,617,055
2017	1,727,881
2018	1,398,423
2019	1,734,858
2020	1,575,956
2021	1,575,950
Contributions as a percentage of covered payroll	15.16%
2015	16.22%
2016	15.24%
2017	15.33%
2018	15.04%
2019	16.23%
2020	16.90%
2021	

\* The 10-year sheedule will be built prospectively. The schedule above is only for the years listed.

### CITY OF ELY, NEVADA SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM June 30, 2021 Last 10 Year Ends\*

Total OPEB liability	_	2021	_	2020		2019	2018		
Interest cost	\$	9,139	\$	9,413	s	9,181	\$	8,217	
Difference between actual and expected experience		-		(5,820)		2 <b>4</b> 3		÷.	
Changes of assumptions		34,111		31,795		(8,091)		(18,114)	
Benefit payments		(18,881)	_	(17,635)	1	(18,275)		(18,349)	
Net change in total OPEB liability		24,369		17,753		(17,185)		(28,246)	
Total OPEB liability, beginning		269,800		252,047		269,232		297,478	
Total OPEB liability, ending	\$	294,169	\$	269,800	\$	252,047	\$	269,232	
Covered-employee payroll**	\$	-	\$		\$	-	\$	-	
Total OPEB liability as a percentage of covered-employee payroll**		0.00%		0.00%		0.00%		0.00%	

\* The 10-year schedule will be built prospectively. The schedule above is only for the years listed.

\*\* The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

# CITY OF ELY, NEVADA NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

### NOTE 1 EXPENDITURES IN EXCESS OF BUDGET

The City had no departments in the General Fund and no other funds with expenditures in excess of budgeted amounts for the year ended June 30, 2021.

### NOTE 2 PUBLIC EMPLOYEES' RETIREMENT SYSTEM

There were no changes in the pension benefit plan terms, actuarial methods or assumptions used in the actuarial valuation.

### NOTE 3 OTHER POST EMPLOYMENT BENEFITS

### Factors that affect trends

There are no factors (e.g. changes in benefit terms, the use of different assumptions, changes in investment policies) that significantly affect trends in the amounts reported in the required schedules.

#### Plan assets

There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits.

SUPPLEMENTARY INFORMATION

# CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL CAPITAL PROJECTS FUND For the Year Ended June 30, 2021

	Budgeted Amounts						10000	
	Original			Final		Actual mounts	10000	iance with al budget
Revenues								
Taxes:			1.00-00				<u>.</u>	
Ad valorem taxes	\$	25,000	\$	25,000	\$	45,149	\$	20,149
Net proceeds of mines						22,846		22,846
Roomtax		110,000		110,000		315,568		205,568
Total taxes		135,000		135,000		383,563		248,563
Interest income	-	50	-	50		81	_	31
Total revenues		135,050		135,050	-	383,644		248,594
Expenditures								
Debt service:				1227123221		10.007		(0.505)
Principal		27,462		27,462		19,937		(7,525)
Interest		5,218		5,218		9,799		4,581
Capital outlay	-	458,614		458,614		299,553		(159,061)
Total expenditures	\$	491,294	\$	491,294		329,289	S	(162,005)
Net change in fund balance						54,355		
Fund balance, beginning of year					_	1,016,887		
Fund balance, end of year					\$	1,071,242		

### CITY OF ELY, NEVADA COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2021

	_				_			Special Rev	enue	Funds					-			
			Court Beautification Assessment (		Court Collection Fee			rt Facility Fee sessment	ar	Protection ad Street rovements	Ely City Redevelopment District		Revolving Loan		Victim Impact Panel		No	Total onmajor ernmental
Assets	12						s		\$	1.62.620	\$		\$	21,080	s		\$	174,919
Cash and cash equivalents	\$	310	\$		S		<u>э</u>		Ф	153,529 20,692	æ	121	\$	21,000	*	- Q	÷*	20,692
Accounts receivable		÷.				-		- 8		20,052		47		22 22		2		47
Due from other governments				1		18 A		3,200										3,200
Prepaid expenses		·		-				5,200				35,879		85,632		-		121,511
Notes receivable				19,547		31,574		92,842				383,359				6,871		534,193
Restricted cash and cash equivalents		-				- Constant of		5	-	141.2 EAL-0.04.40 <sup>2</sup>	-					******	-	
Total assets	\$	310	\$	19,547	\$	31,574	\$	96,042	\$	174,221	s	419,285	\$	106,712	\$	6,871	s	854,562
Liabilities																	(2)	
Accounts payable	\$	-	\$	1,986	\$	351	\$	-	\$	<u>.</u>	\$		\$		\$		\$	2,337
Accrued liabilities		•		6,814				<u>.</u>					1	-		*		6,814
Total liabilities				8,800		351		9								<u>.</u>		9,151
Fund balances																		
Nonspendable:																		2 000
Prepaids				19				3,200		<u>_</u>						-		3,200
Restricted for:																6.000		200.000
Other purposes				10,747		31,223		92,842				419,285		•		6,871		560,968
Committed to:																		174 221
Capital outlay				× .						174,221		5		106 710				174,221
Other purposes	-	310				•		•		<u> </u>	_	-		106,712			0	107,022
Total fund balances		310		10,747		31,223		96,042	_	174,221		419,285	-	106,712		6,871	-	845,411
Total liabilities and fund balances	\$	310	\$	19,547	\$	31,574	s	96,042	\$	174,221	\$	419,285	\$	106,712	\$	6,871	\$	854,562

2

### CITY OF ELY, NEVADA COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2021

	Special Revenue Funds																	
	Beauti	ification		ourt ssment		Court ction Fee		t Facility Fee essment	ane	Protection I Street ovements	Rede	ly City velopment listrict	Revol	ving Loan	Victim Impact an Panel		No	Total nmajor rnmental
Revenues					1120		-			00.007		104 201	\$		s		•	223,976
Taxes	\$		\$		\$	- C	\$		s	99,395	\$	124,581	Э		3	50		6,215
Charges for services				370		2,411		3,384				279		729				1,046
Interest income				· ·		-				38	_	219	-	142			-	
Total revenues		×		370		2,411		3,384		99,433		124,860		729		50	-	231,237
Expenditures																		
Current:																79		5,267
Judical		17		961		3,880		347						-				41,360
Public safety		-				14				41,360		-						
Community support and development	Ê.	*				. <del></del>		~		1 B.		66,023		2		*)		66,023
Debt service:																		42,105
Principal				10 C						42,105				-		•		
Interest		-		1.00	-			-		7,206								7,206
Total expenditures		÷		961		3,880		347		90,671		66,023				79		161,961
Net change in fund balances		2		(591)		(1,469)		3,037		8,762		58,837		729		(29)		69,276
Fund balance, beginning of year		310		11,338		32,692		93,005		165,459		360,448		105,983		6,900		776,135
Fund balance, end of year	\$	310	\$	10,747	\$	31,223	s	96,042	\$	174,221	\$	419,285	\$	106,712	\$	6,871	\$	845,411

# CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COURT ASSESSMENT SPECIAL REVENUE FUND For the Year Ended June 30, 2021

			ctual	Variance with				
	Original		Final			nounts	1922	al budget
Revenues								
Charges for services:	122			4 500	e.	370	\$	(4,130)
Assessment fees		4,500		4,500	\$	510		(4,150)
Total revenues	2. <u></u>	4,500		4,500		370		(4,130)
Expenditures								
Judicial:				11.000		961		(10,039)
Services, supplies, and other		11,000		11,000		901		(10,000)
Total expenditures	\$	11,000	\$	11,000		961	\$	(10,039)
Net change in fund balance						(591)		
Fund balance, beginning of year						11,338		
Fund balance, end of year					\$	10,747		

## CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COURT COLLECTION FEE SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	Budgeted Amounts						Variance with		
	Original		Final			etual nounts		ance with	
Revenues									
Charges for services:		2 000		3,000	s	2,411	\$	(589)	
Assessment fees	_\$	3,000	\$	5,000	3	49411	-	127439	
Total revenues		3,000		3,000		2,411	0	(589)	
Expenditures									
Judicial:				22.000		3,880		(29,120)	
Services, supplies, and other		33,000		33,000		,J <sub>1</sub> 000		(23,120)	
Total expenditures	\$	33,000	\$	33,000	8 <u></u>	3,880	\$	(29,120)	
Net change in fund balance						(1,469)			
Fund balance, beginning of year						32,692			
Fund balance, end of year					\$	31,223			

### CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COURT FACILITY FEE ASSESSMENT SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	Budgeted Amounts					(3. ¥	Variance with		
	Original		5	Final		nounts		ance with budget	
Revenues									
Charges for services:	12			2 500		2 284	\$	(116)	
Assessment fees	S	3,500	<u>s</u>	3,500	\$	3,384	- 3	(110)	
Total revenues	2	3,500		3,500		3,384		(116)	
Expenditures									
Judicial:				00.000		347		(89,653)	
Services, supplies, and other		90,000		90,000		547		(03,055)	
Total expenditures	\$	90,000	\$	90,000	-	347	\$	(89,653)	
Net change in fund balance						3,037			
Fund balance, beginning of year						93,005			
Fund balance, end of year					\$	96,042			

## CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FIRE PROTECTION/STREET IMPROVEMENT SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	7	Budgeted Amounts					Variance with	
	0		Final		Actual mounts	final budget		
Revenues								
Taxes:				100.000	\$	99,395	\$	(605)
Franchise fees	\$	100,000	\$	100,000	Э	38	9	(005)
Interest income		37		37		00		<u> </u>
Total revenues	-	100,037	_	100,037	<u> </u>	99,433		(604)
Expenditures								
Public safety:				11 500		41,360		(140)
Services, supplies, and other		41,500		41,500		41,300		(140)
Debt service:		0.00222		10.000		40 105		29
Principal		42,076		42,076		42,105		(29)
Interest		7,235		7,235	-	7,206	ī.	(25)
Total expenditures	\$	90,811	\$	90,811	<i></i>	90,671	\$	(140)
Net change in fund balance						8,762		
12 1 2						165,459		
Fund balance, beginning of year							0.	
Fund balance, end of year					\$	174,221	ñ	

### CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL ELY REDEVELOPMENT DISTRICT SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	Budgeted Amounts					Variance with		
	0	Original Final		Actual Amounts			l budget	
Revenues								
Taxes:		100100000	7848			104 201		14,581
Ad valorem taxes	\$	100,000	\$	110,000	\$	124,581	\$	279
Interest income	_	-		· ·		279		419
Total revenues		100,000		110,000		124,860		14,860
Expenditures								
Community support and development:						11 1000		(43,977)
Services, supplies, and other		100,000		110,000		66,023	-	(45,577)
Total expenditures	\$	100,000	\$	110,000		66,023	5	(43,977)
Net change in fund balance						58,837		
Fund balance, beginning of year						360,448		
Fund balance, end of year					\$	419,285		

### CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL REVOLVING LOAN SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	Budgeted Amounts					Variance with		
	Original Final		Actual Amounts			ance with		
Revenues	1.005				121	2000 G	-	- 10
Interest income	\$	180	\$	180	\$	729	\$	549
Other revenues:								(20.000)
Donations		20,000		20,000				(20,000)
Total revenues		20,180		20,180		729	_	(19,451)
Expenditures								
Community support and development:				100.000				(100,000)
Services, supplies, and other		100,000	-	100,000		2	-	(100,000)
Total expenditures	S	100,000	\$	100,000	. <u></u>	-	\$	(100,000)
Net change in fund balance						729		
Fund balance, beginning of year					<u> </u>	105,983		
Fund balance, end of year					\$	106,712		

### CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL VICTIM IMPACT PANEL SPECIAL REVENUE FUND For the Year Ended June 30, 2021

	Budgeted Amounts					Variance with		
	Original Final		inal	Actual Amounts			ance with I budget	
Revenues								
Charges for services:			33	222	8		2	(20)
Victim impact panel	5	100	<u>s</u>	100	\$	50	5	(50)
Total revenues	-	100		100		50		(50)
Expenditures								
Judicial:						82223		
Services, supplies, and other		6,500		6,500		79	-	(6,421)
Total expenditures	\$	6,500	\$	6,500		79	\$	(6,421)
Net change in fund balance						(29)		
Fund balance, beginning of year						6,900		
Fund balance, end of year					\$	6,871		

### CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL WATER FUND For the Year Ended June 30, 2021

	Budgeted Amounts						55 - 55	
		Original	nal Final		Actual Amounts		Variance with final budget	
Operating revenues								
Charges for services:							251	121212222
Water sales	S	1,119,860	\$	1,119,860	\$	1,249,079	\$	129,219
Connection fees	_	6,300	_	6,300	-	5,835		(465)
Total operating revenues		1,126,160	_	1,126,160		1,254,914		128,754
Operating expenses								100000000
Salaries and wages		254,716		254,716		264,001		9,285
Employee benefits		176,512		176,512		174,983		(1,529)
Services, supplies, and other		349,575		349,575		333,112		(16,463)
Depreciation and amortization		360,000	<u></u>	360,000		315,712	-	(44,288)
Total operating expenses	_	1,140,803		1,140,803		1,087,808		(52,995)
Nonoperating revenues (expenses)								
Interest income		3,250		3,250		3,219		(31)
Rent income - Georgetown Ranch		4,700		4,700		12,744		8,044
Miscellaneous income		11,000		11,000		27,914		16,914
System obligation fee income		4,375		4,375		17,410		13,035
NDOT engineering reimbursement		<b>.</b>		-		96,730		96,730
Quadra mining revenues		400,000		400,000		222,069		(177,931)
Interest expense		(35,804)		(35,804)		(35,804)		
Quadra mining expense	-	(400,000)		(400,000)	_	(251,917)		148,083
Total nonoperating revenues (expenses)	\$	(12,479)	\$	(12,479)	-	92,365	\$	104,844
Change in net position						259,471		
Net position, beginning of year						10,071,118		
Net position, end of year					\$	10,330,589		

# CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL SANITATION FUND For the Year Ended June 30, 2021

	Budgeted Amounts				The state of the s			
		Original	inal Final		Actual Amounts		0.000	iance with al budget
Operating revenues								
Charges for services:						10000000		00 80 5
Sewer fees	\$	1,061,500	\$	1,061,500	\$	1,091,296	\$	29,796
Testing revenues	_	10,000	-	10,000		12,807		2,807
Total operating revenues		1,071,500		1,071,500	_	1,104,103		32,603
Operating expenses						100 500		12.000
Salaries and wages		176,632		176,632		190,538		13,906
Employee benefits		126,424		126,424		105,265		(21,159)
Services, supplies, and other		687,696		737,696		357,695		(380,001)
Depreciation and amortization		240,000	_	240,000	_	242,847		2,847
Total operating expenses		1,230,752	_	1,280,752	_	896,345	_	(384,407)
Nonoperating revenues (expenses)								32723
Interest income		4,200		4,200		4,176		(24)
Miscellaneous income		500		500		10,326		9,826
System obligation fee income		3,000		3,000		7,000		4,000
NDOT engineering reimbursement		.*				45,520		45,520
Grant - CARES Act		() <b>=</b> )		50,000		48,997		(1,003)
Grant - CDBG		2 <b>.</b> .		-		578,098		578,098
Interest expense	121	(66,185)		(66,185)		(66,332)		(147)
Total nonoperating revenues (expenses)	\$	(58,485)	\$	(8,485)	_	627,785	\$	636,270
Change in net position						835,543		
Net position, beginning of year					_	6,794,784		
Net position, end of year					\$	7,630,327		

### CITY OF ELY, NEVADA SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL LANDFILL FUND For the Year Ended June 30, 2021

	Budgeted Amounts					· · · · · ·		Variance with	
	0	Original Final			Actual Amounts		al budget		
Operating revenues			0.27					116.010	
Charges for services	\$	987,000	\$	987,000	5	1,103,912	\$	116,912	
Total operating revenues		987,000		987,000		1,103,912		116,912	
Operating expenses						2// 221		0 402	
Salaries and wages		356,735		356,735		365,221		8,486	
Employee benefits		228,741		228,741		247,768		19,027	
Services, supplies, and other		483,595		483,595		218,381		(265,214)	
Landfill closure/post closure costs		80,000		80,000		89,773		9,773	
Depreciation and amortization		98,000		98,000	-	61,226		(36,774)	
Total operating expenses		1,247,071		1,247,071		982,369	<u></u>	(264,702)	
Nonoperating revenues (expenses)						0.161		651	
Interest income		7,500		7,500		8,151			
Miscellaneous income		46,700		46,700		110,918	-	64,218	
Total nonoperating revenues (expenses)	\$	54,200	\$	54,200		119,069	\$	64,869	
Change in net position						240,612			
Net position, beginning of year						2,524,241			
Net position, end of year					\$	2,764,853			

# COMPLIANCE SECTION



CERTIFIED PUBLIC ACCOUNTANTS Gary K. Keddington, CPA Phyl R. Warnock, CPA Marcus K. Arbuckle, CPA Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council City of Ely, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental 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 Ely, 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 November 30, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2021-001 that we consider to be a material weakness.

### **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 determination of financial statement amounts. 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 Ely, Nevada's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. 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 result 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.

Keddington & Christensen, LLC

Salt Lake City, Utah November 30, 2021

L. The last of the second s



**KEDDINGTON & CHRISTENSEN, CPAS** 

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE PROVISIONS OF NEVADA REVISED STATUTES 354.624

Gary K. Keddington, CPA Phyl R. Warnock, CPA Marcus K. Arbuckle, CPA Steven M. Rowley, CPA

Honorable Mayor and Members of the City Council City of Ely, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Ely, 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 November 30, 2021. As required by Nevada Revised Statutes (NRS) 354.624, we have performed certain procedures as required by the statute.

#### Management's Responsibility

Management is responsible for compliance with the statute referred to above and the requirements of laws, regulations, contracts, and grants applicable to its funds. Management is also responsible for the financial statements and schedules required by the statute referred to above.

#### Auditor's Responsibility

Our responsibility is to obtain representation from management regarding the use of its funds and to determine that certain schedules and information required by the statute referred to above are included in the financial statements.

### Audit Inclusions Required by Nevada Revised Statutes 354.624

In accordance with NRS 354.624, the financial statement includes a schedule of all fees imposed by the local government, budgetary comparison schedules, and whether prior year findings have been resolved. We have applied certain limited procedures to the audit inclusions required by the statute referred to above, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Funds Established by the Local Government

In accordance with NRS 354.624, we have obtained representation from the City's management in a representation letter addressed to us dated November 30, 2021, of the following:

For each enterprise fund, internal service fund, fiduciary fund, self-insurance fund, and all other funds as required by NRS 354.624, the City has indicated for each fund:

- (a) That the fund is being used in accordance with the provision of this chapter of the Nevada Revised Statues,
- (b) That the fund is being administered in accordance with generally accepted accounting principles,
- (c) That the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund,
- (d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds,
- (e) The statutory and regulatory requirements applicable to the fund, and
- (f) The balance and retained earnings of the fund.

The representations are management's representations and, accordingly, we do not express an opinion or provide any assurance on the information provided by management.

#### Noncompliance

The results of our limited procedures disclosed no instances of noncompliance, which is required to be reported in accordance with NRS 354.624. Our findings do not constitute a legal determination for the City's compliance or noncompliance with State requirements.

#### **Purpose of Report**

The purpose of this report is solely to describe the scope and procedures performed in accordance with NRS 354.624. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah November 30, 2021

### CITY OF ELY, NEVADA SCHEDULE OF FINDINGS AND RECOMMENDATIONS For the Year Ended June 30, 2021

# 2021-001: Financial Close and Reporting Process - Internal Control - Material Weakness

<u>Condition</u>: During the audit, we proposed certain audit adjustments to correct material misstatements in the City's financial statements.

Criteria: Auditing standards indicate that the identification by the auditor of misstatements in the financials may be a material weakness.

Cause: Adjustments determined to be material were not identified by the City's internal controls. A list of proposed entries is available from management.

Effect: The failure of the City's internal controls led to certain accounts being materially misstated before audit adjustments were proposed.

Recommendation: We recommend the City implement controls to ensure that all material balances are reconciled at year end.

City Response: The City agrees and will review and update its process on the procedures to reconcile these accounts.

### CITY OF ELY, NEVADA SCHEDULE OF FEES IMPOSED SUBJECT TO THE PROVISION OF NEVADA REVISED STATUTES 354.5989: LIMITATION ON FEES FOR BUSINESS LICENSES For the Year Ended June 30, 2021

Flat Fixed Fees:			
Business license revenue adjusted			
base at June 30, 2020		\$	228,388
Adjustment to base:			
1. Percentage decrease in population of			
the local government	-2.75%		
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	1.30%	-	-1.45%
Decrease in base		51 <u></u>	(3,314)
Adjusted base at June 30, 2021			225,074
Actual revenue			140,625
Amount over (under) allowable amount		\$	(84,449)

# SINGLE AUDIT SECTION

.



### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQURIED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council City of Ely, Nevada

#### **Report on Compliance for Each Major Federal Program**

We have audited the City of Ely, Nevada's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance. A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Purpose of Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, UC

Salt Lake City, Utah November 30, 2021

# CITY OF ELY, NEVADA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Entity Number	Passed Through to Subrecipients		Total Federal Expenditures	
Department of the Treasury						
Passed through the State of Nevada:						0.500.202
COVID-19 - Coronavirus Relief Fund	21.019	None	\$	-	\$	528,202
Total Department of the Treasury			\$	•	\$	528,202
Department of Housing and Urban Developme	<u>ent</u>					
Passed through the State of Nevada:		1000000			\$	245 725
Community Development Block Grants	14.228	19/PF/02	\$		2	245,735
Community Development Block Grants	14.228	20/PF/07		1.7		12,229
Community Development Block Grants	14.228	20/PF/08	-			332,363
Total Department of Housing and Urb	an Developme	nt	\$	- '	\$	590,327
Total Expenditures of Federal Awards			\$	5	\$	1,118,529

### CITY OF ELY, NEVADA NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2021

- General The Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the City of Ely, Nevada (the City). Federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included on the Schedule of Expenditures of Federal Awards.
- Basis of Accounting The Schedule of Expenditures of Federal Awards is presented using the modifiedaccrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
- Indirect Cost Rate The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

# CITY OF ELY, NEVADA SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2021

### SUMMARY OF AUDITOR'S RESULTS

### **Financial Statements**

1.	Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
2.	Internal control over financial reporting:	
	a. Material weakness identified?	Yes
	b. Significant deficiency identified?	None noted
3.	Noncompliance material to financial statements noted?	No
Federa	l Awards	
1.	Internal control over financial reporting:	
	a. Material weakness identified?	No
	b. Significant deficiency identified?	None noted
2.	Type of auditor's report issued on compliance for major federal programs:	Unmodified
3.	Any findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
4.	Any audit findings in the prior year regarding federal awards?	No
5.	Federal programs tested as a major program:	
	Name of Federal Program:	CFDA Number:
	Coronavirus Relief Fund	21.019
6.	Dollar threshold used to distinguish between type A and type B programs:	\$750,000
7.	Auditee qualified as low-risk auditee?	No