



Financial Statements
June 30, 2023
City of Carlin

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 5 through 12, General Fund Budgetary Comparison Information on pages 47 through 50, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios for the City of Carlin Employee Health Benefit Plan and State of Nevada Public Employees' Benefit Plan on pages 51 and 52, the Schedule of City's Share of Net Pension Liability on page 53, the Schedule of the City's Contributions on page 54, and the notes to required supplementary information on page 55 be

presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

The General Fund Budgetary Comparison Information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. The General Fund Budgetary Comparison Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund Budgetary Comparison Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The General Fund Budgetary Comparison Information for the year ended June 30, 2022 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund Budgetary Comparison Information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Supplementary Information

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

the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Capital Projects Fund budget and actual schedule, the combining and individual nonmajor fund schedules and budgetary comparisons, and the schedule of fees imposed subject to the provisions of NRS 354.5989 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated January 19, 2023 which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The Capital Projects Fund budget and actual schedule and the combining and individual nonmajor fund schedules for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Capital Projects Fund budget and actual schedule and the combining and individual nonmajor fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Elko, Nevada
February 7, 2024

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

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

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

Notes to the Financial Statements

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

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

Table 1: Major Features of the Basic Financial Statements

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

Condensed Statement of Net Position

The largest component, \$7,732,218 of the City's net position reflects its investment in capital assets (i.e., land, infrastructure, buildings, equipment and others) less depreciation and any related debt outstanding that was needed to acquire or construct the assets. Capital Assets represent 42.88% of this City's total Net Position. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these capital assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, restricted cash increased to \$3,104,209, \$3,059,105 of this amount was restricted cash for the unspent grant funding received in advance from the American Rescue Plan Act (ARPA), \$12,100 for debt service, and \$33,004 in permanent funds that are required to be left as a minimum reserve.

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

Table 2: Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 11,377,501	\$ 9,735,928	\$ 4,831,585	\$ 4,651,720	\$ 16,209,086	\$ 14,387,648
Capital assets	5,178,527	4,656,494	2,657,861	2,557,404	7,836,388	7,213,898
Total assets	16,556,028	14,392,422	7,489,446	7,209,124	24,045,474	21,601,546
Deferred outflows of resources	979,119	825,747	291,201	250,812	1,270,320	1,076,559
Other liabilities	3,357,166	1,692,251	105,327	43,849	3,462,493	1,736,100
Long-term liabilities						
Due in one year	59,355	48,733	21,511	27,882	80,866	76,615
Due in more than one year	2,854,540	1,677,160	782,528	468,488	3,637,068	2,145,648
Total liabilities	6,271,061	3,418,144	909,366	540,219	7,180,427	3,958,363
Deferred inflows of resources	53,751	1,146,018	49,061	357,320	102,812	1,503,338
Net investment in capital assets	5,074,357	4,545,103	2,657,861	2,557,404	7,732,218	7,102,507
Restricted	174,029	220,094	-	-	174,029	220,094
Unrestricted	5,961,949	5,888,810	4,164,359	4,004,993	10,126,308	9,893,803
Total net position	\$ 11,210,335	\$ 10,654,007	\$ 6,822,220	\$ 6,562,397	\$ 18,032,555	\$ 17,216,404

Changes in Net Position

Table 3 presents the City's changes in net position, as derived from the government-wide Statement of Activities. Over time, increases and decreases measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by \$556,328 and the net position of the business-type activities increased by \$259,823.

Table 3: Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues						
Charges for services	\$ 240,134	\$ 293,745	\$ 1,408,556	\$ 1,138,432	\$ 1,648,690	\$ 1,432,177
Operating grants contributions	135,320	150,066	-	-	135,320	150,066
Capital grants and contributions	-	182,680	-	25	-	182,705
Total programs revenues	375,454	626,491	1,408,556	1,138,457	1,784,010	1,764,948
General revenues						
Taxes						
Property	543,235	496,904	-	-	543,235	496,904
Room	60,558	39,611	-	-	60,558	39,611
Fuel	52,094	51,752	-	-	52,094	51,752
Consolidated tax revenues	2,502,766	2,416,629	-	-	2,502,766	2,416,629
Interest and investment earnings						
	5,373	748	17,334	15,126	22,707	15,874
Miscellaneous	57,760	52,751	-	-	57,760	52,751
Total general revenues	3,221,786	3,058,395	17,334	15,126	3,239,120	3,073,521
Total revenues	3,597,240	3,684,886	1,425,890	1,153,583	5,023,130	4,838,469
Program expenses						
General government	935,208	777,188	-	-	935,208	777,188
Public safety	1,213,154	1,023,175	-	-	1,213,154	1,023,175
Judicial	60,827	55,233	-	-	60,827	55,233
Public works	380,739	313,781	-	-	380,739	313,781
Health and sanitation	110,400	115,576	-	-	110,400	115,576
Culture and recreation	335,705	344,868	-	-	335,705	344,868
Water	-	-	549,167	575,140	549,167	575,140
Garbage	-	-	117,867	156,492	117,867	156,492
Sewer	-	-	479,143	414,601	479,143	414,601
Street lights	-	-	19,890	50,734	19,890	50,734
Interest on long-term debt	4,879	5,182	-	-	4,879	5,182
Total expenses	3,040,912	2,635,003	1,166,067	1,196,967	4,206,979	3,831,970
Change in net position	556,328	1,049,883	259,823	(43,384)	816,151	1,006,499
Net position, beginning of year	10,654,007	9,604,124	6,562,397	6,605,781	17,216,404	16,209,905
Net position, end of year	\$ 11,210,335	\$ 10,654,007	\$ 6,822,220	\$ 6,562,397	\$ 18,032,555	\$ 17,216,404

Program Expenses and Revenues for Governmental Activities

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

**Table 4: Program Expenses and Revenues
for Governmental Activities
For the Fiscal Year Ended June 30, 2023**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Revenues</u>	<u>Net Program (Expenses)/Revenues</u>
General Government	\$ 935,208	\$ -	\$ (935,208)
Public Safety	1,213,154	122,475	(1,090,679)
Judicial	60,827	-	(60,827)
Public Works	380,739	79,228	(301,511)
Health and Sanitation	110,400	2,600	(107,800)
Culture and Recreation	335,705	171,151	(164,554)
Interest Long-term Debt	4,879	-	(4,879)
 Total	 <u>\$ 3,040,912</u>	 <u>\$ 375,454</u>	 <u>\$ (2,665,458)</u>

Program Expenses and Revenues for Business-type Activities

Table 5 presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
for Business-type Activities
For the Fiscal Year Ended June 30, 2023**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Revenues</u>	<u>Net Program (Expenses)/Revenues</u>
Water	\$ 549,167	\$ 647,861	\$ 98,694
Garbage	117,867	169,134	51,267
Sewer	479,143	563,301	84,158
Street Lights	19,890	28,260	8,370
 Total	 <u>\$ 1,166,067</u>	 <u>\$ 1,408,556</u>	 <u>\$ 242,489</u>

Financial highlights for the City during the fiscal year ended June 30, 2023, include the following:

- The City's total Net Position for all activities increased from \$17,216,404 to \$18,032,555 an increase of \$816,151 (4.74%). This increase is attributable to continued expense control by all departments because of uncertain revenue projections. General Fund expenditures were lower than budgeted amounts by \$1,610,859 (38.11 %). General Fund revenues were also better than projected by \$292,834 (9.78%) due to a conservative estimate of budget revenues during budgeting.
- Capital assets added during the year in the amount of \$1,151,071 include equipment, improvements to City buildings and facilities, including curb gutter and sidewalk improvements, completion of the fire station and construction in progress related to both the sewer line and storage tank transmission main.
- The City's Business-type Activities (Utility Fund) operating revenues exceeded operating expenses by \$242,489. As an Enterprise Fund, the Utility Fund is required to generate operating revenues sufficient to offset operating expenses. Excess revenues year to year are used for maintenance and eventual replacement of older infrastructure. A Preliminary Engineering Report (PER) was completed 2022 and a refurbishment plan is underway using the PER.

Budgetary Highlights

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

Fund Analysis

All Governmental Funds

At the close of the fiscal year ended June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$7,789,371, representing a decrease of \$47,365 (.60%) from the previous fiscal year. The decrease across all governmental funds is the result of the following factors:

- Expense control by all departments.
- Increased revenue from higher than projected revenues.
- Completion of the fire station

General Fund

Fund balance at June 30, 2023 totaled \$5,203,739 which is an increase of \$8,811 (.17%) from the previous fiscal year. The increase is due to lower than budgeted expenses and increase in excepted revenues.

Capital Projects Fund

Fund balance at June 30, 2023 totaled \$1,625,856 which is a decrease of \$46,949 (2.81 %) from the previous year. The decrease is due to the completion of the fire station.

Non-major Governmental Funds

Fund balance at June 30, 2023 totaled \$959,776 which is a decrease of \$9,227 (.95 %) from the previous fiscal year. The following table shows the fund balances that are included in the Non-major Governmental Funds, as of June 30, 2023, and the increase/(decrease) from the previous fiscal year:

<u>Fund</u>	<u>Fund Balance June 30, 2023</u>	<u>Increase/ (Decrease)</u>
Non-Major Governmental Funds:		
Grants Fund	\$ 53,810	\$ (58)
Open Door Senior Citizens Fund	158,995	8,092
Municipal Court Building Fund	7,332	610
Administrative Assessment Fund	13,346	783
Park and Recreation Fund	295,267	(30,139)
Parks and Recreation Fund #2	95,979	901
Equestrian Center Fund	111,458	7,882
Debt Service Fund	16,926	-
Police Forfeiture Fund	109,896	-
Perpetual Cemetery Care Fund	96,767	2,702
	<u>\$ 959,776</u>	<u>\$ (9,227)</u>
Totals	<u>\$ 959,776</u>	<u>\$ (9,227)</u>

Proprietary Funds

The City's sole Proprietary Fund, the Utility Fund, had a net position of \$6,822,220 as of June 30, 2023. Operating revenues exceeded operating expenses by \$242,849.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2023, the City reported \$5,178,527 in capital assets for governmental activities and \$2,657,861 in capital assets for business-type activities. Capital asset additions included equipment, improvements to City buildings and facilities, including curb gutter and sidewalk improvements, completion of the fire station and construction in progress related to both the sewer line and storage tank transmission main.

Long-term Debt Activity

Long-term debt outstanding at June 30, 2023, excluding the annual required contribution for other post-employment benefits and the net pension liability, totaled \$104,170, which is entirely for the Senior Center. The other postemployment benefits liability decreased by \$115,929 to \$249,668. The City's net pension liability increased by \$1,631,515 to \$3,229,855.

Additionally, the City estimates \$134,241 for compensated absences.

For additional information, refer to Notes 5, 6 and 9 in the financial statements.

Economic Factors and Next Years Budgets and Rates

In considering the City budget for fiscal year 2023-2024, the City Council and management continue to remain optimistic with regard to revenue and expenditures as the City moves forward from the lingering effects related to the economy from the COVID pandemic and the subsequent economic conditions more recently a result of a high inflationary environment.

Projects that are reflected in the City Budget for the fiscal year 2023-2024 are as follows:

- Street repairs which will begin the spring of 2024 with an anticipated completion of summer 2025. Estimated project cost \$1,475,000. The identified street repairs are;
 - Pave portion of Poplar Street & Griffin Street
 - Pave Railroad Street between 1st Street and 2nd Street
 - Pave 1st Street between Hamilton Street and Bush Street
 - Pave Hamilton Street between 1st Street and 4th Street
 - Pave 8th Street between Elm Street and Cedar Street
- Construction of a splash pad into the City Park which will begin in the spring of 2024 with an anticipation completion of late summer 2024. Estimated project cost \$270,000.
- Abatement of the old 8th Street motel (former Scott's Motel) located at 681 S. 8th Street which will begin the spring of 2024 with an anticipated completion of summer 2024. Estimated project cost \$180,000.
- Abatement of 418 Hamilton Street which will begin the spring of 2024 with an anticipated completion of summer 2024. Estimated project cost \$40,000.
- Based on the anticipation of federal loans, the City anticipates starting construction on the following two projects:
 - Construction of the Storage Tank Transmission Line Water Project which will begin the spring of 2024 with an anticipated completion of late fall 2024. Estimated project cost \$5,826 million. Funds will be provided by a \$4,353 million interim loan from Nevada State Bank which will be paid off by an approved USDA loan for \$4,353 million, \$737,000 in ARPA (American Rescue Plan Act) funds, and \$368,000 in city funds.
 - Repairs and improvements to the Oak Street Sewer Lift Station and wastewater sludge removal from sewage ponds which will begin the spring of 2025 with an anticipated completion of fall 2025. Estimated project cost \$5,750 million. Funds will be provided by \$2,322 million in ARPA (American Rescue Plan Act) funds, \$3,200 million by an approved USDA loan, and \$228,000 in city funds.

Requests for Information

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

City of Carlin
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 7,537,883	\$ 4,689,105	\$ 12,226,988
Accounts receivable, net	201,494	137,118	338,612
Due from other governments	512,669	-	512,669
Taxes receivable, delinquent	8,668	-	8,668
Prepaid items	12,578	5,362	17,940
Restricted cash	3,104,209	-	3,104,209
Capital assets, net of accumulated depreciation	4,358,108	2,364,061	6,722,169
Capital assets, not being depreciated	820,419	293,800	1,114,219
Total assets	<u>16,556,028</u>	<u>7,489,446</u>	<u>24,045,474</u>
Deferred Outflows of Resources			
Deferred outflows related to other postemployment benefits	12,192	4,166	16,358
Deferred outflows related to pensions	966,927	287,035	1,253,962
Total deferred outflows of resources	<u>979,119</u>	<u>291,201</u>	<u>1,270,320</u>
Total Assets and Deferred Outflows of Resources	<u>17,535,147</u>	<u>7,780,647</u>	<u>25,315,794</u>
Liabilities			
Accounts payable and other	163,263	87,793	251,056
Accrued salaries and related liabilities	112,892	-	112,892
Due to other governments	8,545	5,280	13,825
Customer meter deposits	-	12,254	12,254
Unearned revenue - grants	3,072,466	-	3,072,466
Noncurrent liabilities portion due or payable within one year			
Compensated absences	51,811	21,511	73,322
Notes payable	7,544	-	7,544
Noncurrent liabilities portion due or payable after one year			
Compensated absences	43,047	17,872	60,919
Notes payable	96,626	-	96,626
Total other postemployment benefits liability	205,236	44,432	249,668
Net pension liability	2,509,631	720,224	3,229,855
Total liabilities	<u>6,271,061</u>	<u>909,366</u>	<u>7,180,427</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions	53,751	49,061	102,812
Total Liabilities and Deferred Inflows of Resources	<u>6,324,812</u>	<u>958,427</u>	<u>7,283,239</u>
Net Position			
Net investment in capital assets	5,074,357	2,657,861	7,732,218
Restricted for			
Debt service	12,100	-	12,100
Nonexpendable perpetual cemetery care	33,004	-	33,004
Expendable cemetery care	63,763	-	63,763
Capital projects	43,822	-	43,822
Senior Center	662	-	662
Judicial fees (NRS 176)	20,678	-	20,678
Unrestricted	5,961,949	4,164,359	10,126,308
Total net position	<u>\$ 11,210,335</u>	<u>\$ 6,822,220</u>	<u>\$ 18,032,555</u>

City of Carlin
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 935,208	\$ -	\$ -	\$ -	\$ (935,208)	\$ -	\$ (935,208)
Public safety	1,213,154	122,475	-	-	(1,090,679)	-	(1,090,679)
Judicial	60,827	-	-	-	(60,827)	-	(60,827)
Public works	380,739	79,228	-	-	(301,511)	-	(301,511)
Health and sanitation	110,400	-	2,600	-	(107,800)	-	(107,800)
Culture and recreation	335,705	38,431	132,720	-	(164,554)	-	(164,554)
Interest on long-term debt	4,879	-	-	-	(4,879)	-	(4,879)
Total governmental activities	3,040,912	240,134	135,320	-	(2,665,458)	-	(2,665,458)
Business-type Activities							
Water	549,167	647,861	-	-	-	98,694	98,694
Garbage	117,867	169,134	-	-	-	51,267	51,267
Sewer	479,143	563,301	-	-	-	84,158	84,158
Street lights	19,890	28,260	-	-	-	8,370	8,370
Total business-type activities	1,166,067	1,408,556	-	-	-	242,489	242,489
Total primary government	\$ 4,206,979	\$ 1,648,690	\$ 135,320	\$ -	(2,665,458)	242,489	(2,422,969)
General Revenues:							
Property taxes					543,235	-	543,235
Room taxes					60,558	-	60,558
Consolidated tax revenues - unrestricted					2,502,766	-	2,502,766
Fuel taxes					52,094	-	52,094
Interest and investment earnings					5,373	17,334	22,707
Miscellaneous revenue					57,760	-	57,760
Total general revenues					3,221,786	17,334	3,239,120
Change in Net Position					556,328	259,823	816,151
Net Position, Beginning of Year					10,654,007	6,562,397	17,216,404
Net Position, End of Year					\$ 11,210,335	\$ 6,822,220	\$ 18,032,555

City of Carlin
Balance Sheet – Governmental Funds
June 30, 2023

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 4,980,740	\$ 1,658,310	\$ 898,833	\$ 7,537,883
Receivables, net				
Accounts	181,739	-	19,755	201,494
Taxes	8,668	-	-	8,668
Due from other governments	486,075	5,780	20,814	512,669
Prepaid items	10,669	-	1,909	12,578
Restricted cash	3,059,105	-	45,104	3,104,209
Total assets	\$ 8,726,996	\$ 1,664,090	\$ 986,415	\$ 11,377,501
Liabilities				
Accounts payable	\$ 113,851	\$ 38,234	\$ 10,986	\$ 163,071
Accrued salaries and related liabilities	112,892	-	-	112,892
Bail and fines held	192	-	-	192
Due to other governments	6,253	-	2,292	8,545
Unearned revenue - grants	3,059,105	-	13,361	3,072,466
Total liabilities	3,292,293	38,234	26,639	3,357,166
Deferred Inflows of Resources				
Unavailable property taxes	8,668	-	-	8,668
Unavailable infrastructure tax revenue	44,602	-	-	44,602
Unavailable ambulance fees	177,694	-	-	177,694
Total deferred inflows of resources	230,964	-	-	230,964
Fund Balances				
Nonspendable	10,669	-	34,913	45,582
Restricted for				
Debt service	-	-	12,100	12,100
Perpetual cemetery care	-	-	63,763	63,763
Capital projects	-	43,822	-	43,822
Senior Center	-	-	662	662
Judicial fees (NRS 176)	-	-	20,678	20,678
Committed for				
Future community development	-	-	83,836	83,836
Recreational activities	-	-	307,410	307,410
Public safety	-	-	109,896	109,896
Assigned				
Subsequent year operations	1,120,323	-	35,950	1,156,273
Other purposes	-	1,582,034	290,568	1,872,602
Unassigned	4,072,747	-	-	4,072,747
Total fund balances	5,203,739	1,625,856	959,776	7,789,371
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,726,996	\$ 1,664,090	\$ 986,415	\$ 11,377,501

City of Carlin
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2023

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

Total fund balances - governmental funds		\$ 7,789,371
<p>The net investment in capital assets is not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the statement of net position.</p>		
Capital assets, being depreciated	\$ 14,067,272	
Less accumulated depreciation	<u>(9,709,164)</u>	4,358,108
Capital assets, not being depreciated		820,419
<p>Unavailable revenue represents amounts that are not available to fund current expenditures, and therefore, are not reported as revenue in the governmental funds.</p>		
		230,964
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Net pension liability	(2,509,631)	
Notes payable	(104,170)	
Other postemployment benefits	(205,236)	
Compensated absences	<u>(94,858)</u>	(2,913,895)
<p>Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources related to pensions	966,927	
Deferred inflows of resources related to pensions	(53,751)	
Deferred outflows of resources related to other postemployment benefits	<u>12,192</u>	<u>925,368</u>
Net position of governmental activities		<u>\$ 11,210,335</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

	General	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 528,345	\$ 34,477	\$ 60,558	\$ 623,380
Licenses, permits and fees	79,228	-	-	79,228
Intergovernmental	2,561,880	-	132,720	2,694,600
Charges for services	72,692	-	13,769	86,461
Fines and forfeits	6,173	-	-	6,173
Miscellaneous	38,781	-	44,594	83,375
Total revenues	3,287,099	34,477	251,641	3,573,217
Expenditures				
Current				
General government	907,717	-	13,942	921,659
Public safety	1,131,462	-	-	1,131,462
Judicial	59,926	-	3,415	63,341
Public works	221,834	-	-	221,834
Health and sanitation	75,944	-	-	75,944
Culture and recreation	16,839	-	276,395	293,234
Capital outlay	202,466	681,426	17,116	901,008
Debt service				
Principal	-	-	7,221	7,221
Interest	-	-	4,879	4,879
Total expenditures	2,616,188	681,426	322,968	3,620,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	670,911	(646,949)	(71,327)	(47,365)
Other Financing Source (Uses)				
Transfer in	50,000	600,000	147,100	797,100
Transfer out	(712,100)	-	(85,000)	(797,100)
Total other financing sources (uses)	(662,100)	600,000	62,100	-
Net Change in Fund Balances	8,811	(46,949)	(9,227)	(47,365)
Fund Balances, Beginning of Year	5,194,928	1,672,805	969,003	7,836,736
Fund Balances, End of Year	\$ 5,203,739	\$ 1,625,856	\$ 959,776	\$ 7,789,371

City of Carlin
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
 and Changes in Fund Balances to the Statement of Activities
 Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	(47,365)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period:</p>		
Capital outlay to purchase capital assets	\$ 901,008	
Current depreciation expense	<u>(378,975)</u>	522,033
Disposal of capital assets and other adjustments		
<p>Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in unavailable property taxes	(19,587)	
Change in unavailable ambulance fees	<u>43,610</u>	24,023
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt:</p>		
Note payable - principal payments		7,221
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Current year change in compensated absences		(6,965)
<p>Governmental funds report City PERS contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense:</p>		
City PERS contributions	170,551	
City pension expense	<u>(199,288)</u>	(28,737)
<p>Governmental funds report City other postemployment contributions as expenditures. However, in the statement of activities, the cost of postemployment benefits earned is reported as other postemployment benefit expense:</p>		
Other postemployment benefits distributions	12,191	
Other postemployment benefits income	<u>73,927</u>	<u>86,118</u>
Change in net position of governmental activities	\$	<u><u>556,328</u></u>

City of Carlin
Statement of Net Position – Proprietary Fund
June 30, 2023

	Business-Type Activities Enterprise Fund	Utility Fund
Assets		
Current Assets		
Cash	\$ 4,689,105	
Accounts receivable, net	137,118	
Prepaid items	5,362	
	4,831,585	
Total current assets		
Noncurrent Assets		
Capital assets, net of accumulated depreciation	2,364,061	
Capital assets, not being depreciated	293,800	
	2,657,861	
Total noncurrent assets		
	7,489,446	
Total assets		
Deferred Outflows of Resources		
Deferred outflows related to other postemployment benefits	4,166	
Deferred outflows related to pensions	287,035	
	291,201	
Total deferred outflows of resources		
Liabilities		
Current Liabilities		
Accounts payable	87,793	
Due to other governments	5,280	
Compensated absences, current portion	21,511	
Customer meter deposits	12,254	
	126,838	
Total current liabilities		
Noncurrent Liabilities		
Compensated absences, net of current portion	17,872	
Net pension liability	720,224	
Total other postemployment benefits liability	44,432	
	782,528	
Total noncurrent liabilities		
	909,366	
Total liabilities		
Deferred Inflows of Resources		
Deferred inflows related to pensions	49,061	
Total deferred inflows of resources		
Net Position		
Investment in capital assets	2,657,861	
Unrestricted	4,164,359	
	6,822,220	
Total net position		
	\$ 6,822,220	

City of Carlin
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
	Utility Fund
Operating Revenues	
Charges for sales and services	
Water	\$ 647,861
Garbage	169,134
Sewer	563,301
Street lights	28,260
Total operating revenues	1,408,556
Operating Expenses	
Salaries and wages	344,607
Employee benefits	141,916
Services and supplies	529,939
Depreciation	149,605
Total operating expenses	1,166,067
Operating Income	242,489
Nonoperating Revenues	
Penalties earned	17,334
Change in Net Position	259,823
Net Position, Beginning of Year	6,562,397
Net Position, End of Year	\$ 6,822,220

City of Carlin
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
	Utility Fund
Operating Activities	
Cash received from customers	\$ 1,369,999
Cash payments to employees for services and benefits	(527,501)
Cash payments to suppliers for goods and services	(467,842)
Net Cash from Operating Activities	374,656
Non-Capital Financing Activities	
Penalties earned	17,334
Capital and Related Financing Activities	
Acquisition of capital assets	(250,063)
Net Change in Cash	141,927
Cash, Beginning of Year	4,547,178
Cash, End of Year	\$ 4,689,105

City of Carlin
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund	Utility Fund
Reconciliation of operating income to net cash from operating activities		
Operating income	\$	242,489
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation		149,605
Pension expense		56,338
City pension contributions		(48,228)
Other postemployment benefits expense		(29,429)
Changes in		
Accounts receivable		(38,557)
Prepaid expenses		619
Accounts payable		41,413
Accrued expenses		406
		132,167
Total adjustments		132,167
Net Cash from Operating Activities	\$	374,656

Note 1 - Summary of Significant Accounting Policies

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

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

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary fund:

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

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

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

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

Property Taxes

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

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

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

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity

Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, the City considers all time deposits, certificates of deposit, and all highly liquid investments, generally with original maturities of three months or less to be cash equivalents. Based on the nature of the investment policies, all amounts are available on demand and are, therefore, classified as cash or cash equivalents on the Statement of Cash Flows.

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

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

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

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

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

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

Accounts Receivable

Accounts receivable are reported net of an allowance of uncollectible accounts, if applicable. No allowance for uncollectible accounts has been established since management does not anticipate any material collection loss with respect to taxes receivable and utility billings receivable. Total accounts receivable in the General Fund of \$673,960 are reported at \$181,739, net of a \$492,221 allowance for uncollectible ambulance billings.

Inventories and Prepaids

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

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 expenditure/expense when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are recorded in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. These assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value determined at the date of donation.

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

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

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

Compensated Absences

Employees may accumulate unused vacation time within certain limits. Unused vacation time is paid to the employee after his/her anniversary date. After five years of employment, employees will be paid for sick leave up to 200 hours at regular rate of pay at separation from service. If employment termination is due to death, any unused sick leave will be paid at the regular rate of pay. Accumulated costs for unused vacation pay and sick

leave are recognized currently for those retiring prior to year-end. Remaining costs of unused vacation and sick leave are not recorded in the governmental fund financial statements but are included in the government-wide financial statements. These benefits have typically been paid from the General Fund.

Pensions

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

Other Post-Employment Benefits

In addition to pension benefits (Public Employees Retirement System) described in Note 6 and postemployment healthcare benefits described in Note 9, the City waives monthly utility bills for certain retired employees per the City's Personnel Policy Manual section 5.16. The benefit terminates upon the death of the retiree. The City funds the benefit on a current basis and, as of June 30, 2023, the City had no retirees utilizing the benefit. The City had \$0 associated with the above benefit for the year ended June 30, 2023.

Deferred Inflows and Outflows of Resources

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

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

Fund Balance/Net Position

Government-wide and Proprietary Fund Financial Statements:

In the government-wide and proprietary fund financial statements, equity is classified as net position and is displayed in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position - consists of equity with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position is all other equity that does not meet the definition of “net investment in capital assets” or “restricted”.

Governmental Fund Financial Statements:

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

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

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

Sometimes the City 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 the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Risk Management

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

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

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

Use of Estimates

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

New Accounting Standard Pronouncement

As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The City has evaluated this guidance and determined that it has no impact on the City's financial statements.

Note 2 - Stewardship, Compliance and Accountability

Compliance with Nevada Revised Statutes and Nevada Administrative Code

The City conformed to all significant statutory constraints on its financial administration during the year with the following possible exception. The fund listed below over expended amounts appropriated for the function and, as such, may not be in accordance with Nevada Revised Statute 354.626:

Fund	Function	Amount Over Expenditure
Parks and Recreation Fund	Culture and recreation	\$ 1,697

Note 3 - Cash

As defined in Note 1, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The City has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below. As of and for the year ended June 30, 2023, the City had no investments, only cash balances.

Custodial Credit Risk – All deposits are subject to custodial risk, which is the risk that the City’s deposits may not be returned to it in the event of a bank failure. Bank balances were covered by Federal Depository Insurance and by collateral held by the depositories in the name of the Nevada Collateral Pool and were not exposed to custodial risk. The City does not have a formal policy relating to custodial credit risk but follows NRS. The City participates in the State of Nevada Collateral Pool which requires depositories to maintain as collateral acceptable securities having a fair market value of at least 100 percent of the amount of the uninsured balances of the public money held by the depository. Under NRS 356.360, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the pool.

Cash held by the City as of June 30, 2023 are allocated to the various funds as follows:

Major governmental funds	\$ 6,639,050
Nonmajor governmental funds	898,833
Business-type activities/proprietary fund	4,689,105
Restricted:	
Major governmental funds	
Grants	3,059,105
Nonmajor governmental funds	
Debt service	12,100
Nonexpendable permanent fund	33,004
	\$ 15,331,197

Note 4 - Capital Assets

The amounts recorded as capital assets are summarized as follows:

Governmental Activities

	Balance June 30, 2022	Reclassification	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, being depreciated						
Buildings	\$ 3,305,727	\$ -	\$ 707,953	\$ -	\$ 17,533	\$ 4,031,213
Office equipment	158,020	-	8,239	-	-	166,259
Other equipment	2,561,556	-	51,073	59,989	-	2,552,640
Vehicles	2,263,744	-	20,377	-	-	2,284,121
Infrastructure	4,919,673	-	113,366	-	-	5,033,039
Total capital assets, being depreciated	13,208,720	-	901,008	59,989	17,533	14,067,272
Less accumulated depreciation						
Buildings	(1,215,416)	-	(79,715)	-	-	(1,295,131)
Office equipment	(291,991)	145,581	(5,237)	-	-	(151,647)
Other equipment	(1,746,098)	(73,411)	(90,684)	(59,989)	-	(1,850,204)
Vehicles	(2,005,203)	8,057	(66,880)	-	-	(2,064,026)
Infrastructure	(4,131,470)	(80,227)	(136,459)	-	-	(4,348,156)
Total accumulated depreciation	(9,390,178)	-	(378,975)	(59,989)	-	(9,709,164)
Total capital assets, being depreciated, net	3,818,542	-	522,033	-	17,533	4,358,108
Capital assets, not being depreciated						
Land	820,419	-	-	-	-	820,419
Construction in progress	17,533	-	-	-	(17,533)	-
Total capital assets, not being depreciated	837,952	-	-	-	(17,533)	820,419
Governmental Activities Capital Assets, Net	\$ 4,656,494	\$ -	\$ 522,033	\$ -	\$ -	\$ 5,178,527

Business-type Activities

	Balance June 30, 2022	Reclassification	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, being depreciated						
Buildings	\$ 319,649	\$ -	\$ -	\$ -	\$ -	\$ 319,649
Office equipment	21,526	-	-	-	-	21,526
Other equipment	499,947	-	1,640	-	-	501,587
Vehicles	424,545	-	-	-	-	424,545
Infrastructure	6,577,544	-	32,678	-	-	6,610,222
Total capital assets, being depreciated	<u>7,843,211</u>	<u>-</u>	<u>34,318</u>	<u>-</u>	<u>-</u>	<u>7,877,529</u>
Less accumulated depreciation						
Buildings	(100,936)	-	(6,845)	-	-	(107,781)
Office equipment	(20,390)	-	(103)	-	-	(20,493)
Other equipment	(385,252)	-	(9,103)	-	-	(394,355)
Vehicles	(424,545)	-	-	-	-	(424,545)
Infrastructure	(4,432,739)	-	(133,555)	-	-	(4,566,294)
Total accumulated depreciation	<u>(5,363,862)</u>	<u>-</u>	<u>(149,605)</u>	<u>-</u>	<u>-</u>	<u>(5,513,468)</u>
Total capital assets, being depreciated, net	<u>2,479,349</u>	<u>-</u>	<u>(115,287)</u>	<u>-</u>	<u>-</u>	<u>2,364,061</u>
Capital assets, not being depreciated						
Land	78,055	-	-	-	-	78,055
Construction in progress	-	-	215,745	-	-	215,745
Total capital assets, not being depreciated	<u>78,055</u>	<u>-</u>	<u>215,745</u>	<u>-</u>	<u>-</u>	<u>293,800</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,557,404</u>	<u>\$ -</u>	<u>\$ 100,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,657,861</u>

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

Governmental Activities	
General government	\$ 26,626
Public safety	107,151
Public works	161,295
Health and sanitation	36,565
Culture and recreation	47,338
	<u>378,975</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 378,975</u>
Business-type Activities	
Water	\$ 45,292
Sewer	104,313
	<u>149,605</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 149,605</u>

Note 5 - Long-Term Liabilities

Long-term debt as of June 30, 2023, consisted of the following:

Governmental Activities

Direct Borrowing:

Note payable United States Department of Agriculture, Rural Development, issued June 28, 2004, \$12,100 due annually including interest at 4.38%, maturing June 28, 2034. The note is for the construction of a senior citizens facility and is secured by the facility.

\$ 104,170

The governmental activities notes will be repaid by the Debt Service Fund. The maturity of the notes payable for the years after June 30, 2023, based upon present arrangements, is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Government-Type Activities</u>	
	U.S. Department of Agriculture Senior Citizens Facility	
	<u>Principal</u>	<u>Interest</u>
2024	7,544	4,556
2025	7,874	4,226
2026	8,218	3,882
2027	8,578	3,522
2028	8,953	3,147
2029-2033	50,995	9,505
2034-2035	12,008	546
	<u>\$ 104,170</u>	<u>\$ 29,384</u>

Changes in Long-Term Liabilities

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 87,893	\$ 74,764	\$ 67,799	\$ 94,858	\$ 51,811
Notes payable	111,391	-	7,221	104,170	7,544
	<u>\$ 199,284</u>	<u>\$ 74,764</u>	<u>\$ 75,020</u>	<u>\$ 199,028</u>	<u>\$ 59,355</u>
Business-type activities					
Compensated absences	\$ 59,042	\$ 22,772	\$ 42,431	\$ 39,383	\$ 21,511

The City was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2023.

Compensated absences typically have been liquidated by the General Fund and the Utility Fund.

Note 6 - Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

Monthly benefit allowances for members are computed as 2.5 percent of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.50% service time factor. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier for all years of service. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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

Vesting

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

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

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

Contributions

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

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

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

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

For the fiscal year ended June 30, 2023 and June 30, 2022, the Statutory Employer/Employee matching rate for Regular members was 15.50%; the rate was 22.75% for Police/Fire. The Employer Pay Contribution (EPC) rate was 29.75% for Regular members and 44.00% for Police/Fire for the year ended June 30, 2023 and June 30, 2022.

The City's contributions were \$219,117 for the year ended June 30, 2023.

PERS Investment Policy

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

The following was the PERS Board adopted policy target asset allocation as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%
	<u>100%</u>	

As of June 30, 2022, PERS' long-term inflation assumption was 2.50%.

Net Pension Liability

At June 30, 2023, the City reported a liability of \$3,229,855 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to PERS relative to the total contributions of all participating PERS employers. At June 30, 2022, the City's proportion was 0.01789 percent, which is an increase of 0.00036 percent from its proportion measured as of June 30, 2021.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the City as of June 30, 2023, calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate.

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
Net pension liability	<u>\$ 4,958,884</u>	<u>\$ 3,229,855</u>	<u>\$ 1,803,147</u>

Pension Plan Fiduciary Net Position and Additional Information

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

Actuarial Assumptions

The City's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll Growth	3.50%
Investment rate of return/ discount rate	7.25%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Consumer price index	2.50%
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

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

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

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

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

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

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except the projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

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

For the year ended June 30, 2023, the City recognized pension expense of \$255,531. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 418,213	\$ 2,307
Net difference between projected and actual earnings on pension plan investments	39,406	-
Changes in assumptions	414,897	-
Changes in the employer’s proportion and differences between the employer’s contributions and the employer's proportionate contributions	162,329	100,505
City contributions subsequent to the measurement date	219,117	-
	\$ 1,253,962	\$ 102,812

The \$219,117 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 5.70 years.

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

Year Ending June 30,		
2024	\$	98,438
2025		143,606
2026		145,777
2027		475,139
2028		69,073
	\$	932,033

Additional Information

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

Note 7 - Fund Equity

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

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

Nonspendable for Prepaids – \$12,578 has been paid in advance for employee benefit related expenditures.

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

Restricted for Debt Service – In accordance with the agreement from the USDA Rural Development for the loan for the Carlin Senior Center, the City is required to set-aside fund balance/net position of one-tenth of the annual payment amount for each loan until one full payment has been set-aside. The restricted debt service requirement for the year ended June 30, 2023 for the Carlin Senior Center in the Debt Service Fund is currently \$12,100.

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

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

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

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

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

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

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

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

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

	Balance July 1, 2022	Net Change	Balance June 30, 2023
Water system	\$ 312,040	\$ -	\$ 312,040
Water capital improvement	57,005	-	57,005
Sewer capital improvement	232,396	-	232,396

Note 8 - Interfund Items

Interfund transfers are shown as other financing sources or uses in all governmental funds. Transfers between funds during the year ended June 30, 2023 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Net</u>
General Fund	\$ 50,000	\$ (712,100)	\$ (662,100)
Capital Projects Fund	600,000	-	600,000
Nonmajor Governmental Funds			
Open Door Senior Citizens Center Fund	100,000	-	100,000
Parks and Recreation Fund	-	(85,000)	(85,000)
Equestrian Center Fund	35,000	-	35,000
Debt Service Fund	12,100	-	12,100
	<u>\$ 797,100</u>	<u>\$ (797,100)</u>	<u>\$ -</u>

The General Fund subsidized the Open Door Senior Citizens Center Fund whose funding sources were not large enough to support the entire cost of their programs in accordance with budgetary authority. The General Fund transferred monies to the Capital Projects Fund to fund future capital projects. The General Fund transferred monies to the Debt Service Fund for payments related to debt service. The Parks and Recreation Fund transferred monies to the General Fund and the Equestrian Center Fund to fund parks and recreation related projects.

Note 9 - Postemployment Healthcare Plan

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

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

CCEHBP is a single employer defined benefit OPEB plan administered by the City. In accordance with Nevada Revised Statute 287.010, the CCEHBP was adopted to provide postemployment benefits to full-time employees on retirement. Eligibility requirements, benefit levels, employee contributions, and employer contributions are governed by the City and can only be amended by the City. The City's health insurance plan medical premiums paid are based on age and, as such, are not expected to result in an implicit subsidy liability for the City if retirees elect to continue the coverage. Therefore, there is no liability for CCEHBP as of June 30, 2023.

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

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

PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The City is required to provide a subsidy for their retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depend on the date of retirement and years of PERS service former employees earned in total and while working for the City. The subsidy ranges from a minimum of \$3 to a maximum of \$918 per month. Subsidies for retiree premiums participating in the PEBP are paid directly to the State when due. The City's obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former City employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the City on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the City's expense.

Employee Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

	PEBP
Inactive employees or beneficiaries currently receiving benefits	10
	10

Total OPEB Liability – The City’s total OPEB liability of \$249,668 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

	PEBP
Total OPEB Liability	\$ 249,668

Assumptions and Other Inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs for PEBP, applied to all periods included in the measurement, unless otherwise specified:

	CCEHBP	PEBP
Actuary funding method	N/A	Entry age normal, closed group, level percent of pay
General inflation	N/A	2.50%
Salary increases	N/A	N/A
Assumed wage inflation	N/A	N/A
Discount rate	N/A	4.09%
Health care trend rates	N/A	5.80% for 2023, decreasing to an ultimate rate of 3.9% by 2076
Retirees' share of benefit - related costs	N/A	0% to 100% of premium amounts based on years of service

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

For the PEBP Plan, mortality rates for regular members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table set forward one year. Adjustments for mortality improvements were based on applying the MacLeod Watts Scale 2022 on a generational basis from 2020 forward, based on data from the Society of Actuaries Mortality Improvement Scale MP-2021 Report and the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds.

Changes in the Total OPEB Liability

	PEBP
Balance at June 30, 2022	\$ 365,597
Changes for the year	
Interest	7,788
Changes in assumptions or other inputs	(106,978)
Benefit payments	(16,739)
Net Changes	(115,929)
Balance at June 30, 2023	\$ 249,668

Changes in Assumptions – PEBP changes in assumptions and other inputs reflect a change in discount rate from 2.18% to 4.09%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City’s Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
PEBP OPEB Liability	\$ 279,711	\$ 249,668	\$ 225,077

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage lower (4.8% decreasing to 2.9%) or 1-percentage-point higher (6.8% decreasing to 4.9%) than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
PEBP OPEB Liability	\$ 226,071	\$ 249,668	\$ 277,900

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB income for PEBP of \$99,991.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 16,358	\$ -

The \$16,358 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024.

Note 10 - Commitments and Contingent Liabilities

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

On May 10, 2023, the City approved a contract for the 2nd Street Paving Project totaling \$456,600.

Note 11 - Subsequent Events

On January 10, 2024, the City approved a borrowing resolution required by the United States Department of Agriculture for a \$4.3 million loan for the Storage Tank Transmission Line Water Project.



Required Supplementary Information
June 30, 2023

City of Carlin

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 544,765	\$ 544,765	\$ 528,345	\$ (16,420)	\$ 447,489
Licenses, permits and fees					
Franchise fees	12,000	12,000	19,243	7,243	12,912
Business licenses	15,000	15,000	20,197	5,197	21,851
Liquor licenses	5,000	5,000	2,705	(2,295)	4,605
Local gaming licenses	8,000	8,000	7,400	(600)	6,480
Animal licenses	2,000	2,000	3,460	1,460	3,760
Building permits	20,000	20,000	22,808	2,808	38,645
Other permits and fees	1,000	1,000	3,415	2,415	2,315
	<u>63,000</u>	<u>63,000</u>	<u>79,228</u>	<u>16,228</u>	<u>90,568</u>
Intergovernmental					
Consolidated tax revenues	2,200,000	2,200,000	2,458,164	258,164	2,372,027
Motor vehicle fuel tax	50,000	50,000	52,094	2,094	51,752
Share of county gaming license	8,000	8,000	7,020	(980)	9,338
Infrastructure tax	44,000	44,000	44,602	602	44,571
Federal grants	-	-	-	-	166,667
	<u>2,302,000</u>	<u>2,302,000</u>	<u>2,561,880</u>	<u>259,880</u>	<u>2,644,355</u>
Charges for services					
Ambulance charges	50,000	50,000	72,127	22,127	67,501
Facility use fees	-	-	565	565	516
	<u>50,000</u>	<u>50,000</u>	<u>72,692</u>	<u>22,692</u>	<u>68,017</u>
Fines and forfeits					
Court fines and fees	12,000	12,000	5,185	(6,815)	6,294
Animal fines and fees	3,000	3,000	988	(2,012)	960
	<u>15,000</u>	<u>15,000</u>	<u>6,173</u>	<u>(8,827)</u>	<u>7,254</u>
Miscellaneous					
Interest income	3,000	3,000	5,271	2,271	726
Other income	6,000	6,000	19,802	13,802	14,755
Sales and rentals	500	500	250	(250)	1,373
Leases and contracts	10,000	10,000	13,458	3,458	11,602
	<u>19,500</u>	<u>19,500</u>	<u>38,781</u>	<u>19,281</u>	<u>28,456</u>
Total revenues	<u>2,994,265</u>	<u>2,994,265</u>	<u>3,287,099</u>	<u>292,834</u>	<u>3,286,139</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Expenditures					
Current					
General government					
Finance administration					
Salaries and wages	\$ 171,000	\$ 171,000	\$ 161,219	\$ 9,781	\$ 138,658
Employee benefits	90,000	90,000	78,535	11,465	79,267
Services and supplies	24,100	24,100	16,611	7,489	14,007
	<u>285,100</u>	<u>285,100</u>	<u>256,365</u>	<u>28,735</u>	<u>231,932</u>
Legislative					
Salaries and wages	14,500	14,500	13,020	1,480	13,020
Employee benefits	7,000	7,000	4,379	2,621	4,629
Services and supplies	5,000	5,000	5,087	(87)	1,954
	<u>26,500</u>	<u>26,500</u>	<u>22,486</u>	<u>4,014</u>	<u>19,603</u>
Other					
Services and supplies	850,600	850,600	524,351	326,249	449,027
Capital outlay	-	-	2,500	(2,500)	99,900
	<u>850,600</u>	<u>850,600</u>	<u>526,851</u>	<u>323,749</u>	<u>548,927</u>
City manager					
Salaries and wages	83,000	83,000	79,874	3,126	75,129
Employee benefits	35,000	35,000	22,375	12,625	18,753
Services and supplies	3,250	3,250	2,266	984	3,524
	<u>121,250</u>	<u>121,250</u>	<u>104,515</u>	<u>16,735</u>	<u>97,406</u>
Total general government	<u>1,283,450</u>	<u>1,283,450</u>	<u>910,217</u>	<u>373,233</u>	<u>897,868</u>
Public safety					
Police					
Salaries and wages	425,000	425,000	435,776	(10,776)	399,360
Employee benefits	231,000	231,000	261,561	(30,561)	231,280
Services and supplies	148,400	173,400	156,721	16,679	122,664
Capital outlay	65,000	65,000	2,405	62,595	-
	<u>869,400</u>	<u>894,400</u>	<u>856,463</u>	<u>37,937</u>	<u>753,304</u>
Animal control					
Salaries	40,000	45,000	41,444	3,556	38,253
Employee benefits	21,000	24,000	23,087	913	22,111
Services and supplies	4,610	3,610	4,933	(1,323)	2,078
Capital outlay	-	-	-	-	7,764
	<u>65,610</u>	<u>72,610</u>	<u>69,464</u>	<u>3,146</u>	<u>70,206</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Fire and ambulance					
Salaries	\$ 60,000	\$ 60,000	\$ 61,773	\$ (1,773)	\$ 55,002
Employee benefits	30,000	30,000	34,671	(4,671)	37,697
Services and supplies	127,500	127,500	111,496	16,004	135,961
Capital outlay	18,600	18,600	29,586	(10,986)	194,144
	<u>236,100</u>	<u>236,100</u>	<u>237,526</u>	<u>(1,426)</u>	<u>422,804</u>
Total public safety	<u>1,171,110</u>	<u>1,203,110</u>	<u>1,163,453</u>	<u>39,657</u>	<u>1,246,314</u>
Judicial					
Municipal court					
Salaries and wages	34,443	34,443	37,147	(2,704)	37,527
Employee benefits	14,894	14,894	15,464	(570)	15,627
Services and supplies	11,900	11,900	7,315	4,585	3,169
Total judicial	<u>61,237</u>	<u>61,237</u>	<u>59,926</u>	<u>1,311</u>	<u>56,323</u>
Public works					
Highways and streets					
Salaries and wages	53,900	53,900	49,091	4,809	46,538
Employee benefits	35,000	35,000	33,319	1,681	31,841
Services and supplies	201,700	201,700	139,424	62,276	74,711
Capital outlay	1,170,000	1,170,000	156,921	1,013,079	19,080
Total public works	<u>1,460,600</u>	<u>1,460,600</u>	<u>378,755</u>	<u>1,081,845</u>	<u>172,170</u>
Health and sanitation					
Public health administration					
Services and supplies	21,000	21,000	3,800	17,200	5,898
Cemetery					
Salaries and wages	42,900	42,900	39,668	3,232	46,127
Employee benefits	20,000	20,000	21,824	(1,824)	23,463
Services and supplies	10,000	10,000	10,652	(652)	11,854
	<u>72,900</u>	<u>72,900</u>	<u>72,144</u>	<u>756</u>	<u>81,444</u>
Total health and sanitation	<u>93,900</u>	<u>93,900</u>	<u>75,944</u>	<u>17,956</u>	<u>87,342</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Culture and recreation					
Parks					
Services and supplies	\$ 20,500	\$ 20,500	\$ 14,954	\$ 5,546	\$ 14,345
Capital outlay	101,000	101,000	11,054	89,946	3,600
	<u>121,500</u>	<u>121,500</u>	<u>26,008</u>	<u>95,492</u>	<u>17,945</u>
Library					
Services and supplies	3,250	3,250	1,885	1,365	3,051
Total culture and recreation	<u>124,750</u>	<u>124,750</u>	<u>27,893</u>	<u>96,857</u>	<u>20,996</u>
Total expenditures	<u>4,195,047</u>	<u>4,227,047</u>	<u>2,616,188</u>	<u>1,610,859</u>	<u>2,481,013</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,200,782)</u>	<u>(1,232,782)</u>	<u>670,911</u>	<u>1,903,693</u>	<u>805,126</u>
Other Financing Sources (Uses)					
Transfers in	50,000	50,000	50,000	-	-
Transfers out	(712,100)	(712,100)	(712,100)	-	(330,000)
Contingency	(70,000)	(38,000)	-	38,000	-
Total other financing sources (uses)	<u>(732,100)</u>	<u>(700,100)</u>	<u>(662,100)</u>	<u>38,000</u>	<u>(330,000)</u>
Net Change in Fund Balance	(1,932,882)	(1,932,882)	8,811	1,941,693	475,126
Fund Balance, Beginning of Year	<u>3,351,860</u>	<u>3,351,860</u>	<u>5,194,928</u>	<u>1,843,068</u>	<u>4,719,802</u>
Fund Balance, End of Year	<u>\$ 1,418,978</u>	<u>\$ 1,418,978</u>	<u>\$ 5,203,739</u>	<u>\$ 3,784,761</u>	<u>\$ 5,194,928</u>

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,849
Interest	-	-	-	-	-	3,106
Changes in benefit terms	-	-	-	-	(114,727)	-
Changes of assumptions or other inputs	-	-	-	-	-	(3,629)
Benefit payments	-	-	-	-	-	(1,282)
Net Change in Total OPEB Liability	-	-	-	-	(114,727)	17,044
Total OPEB Liability, Beginning of Year	-	-	-	-	-	97,683
Total OPEB Liability, End of Year	\$ -	\$ -	\$ -	\$ -	\$ (114,727)	\$ 114,727
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,280
Total OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	12.79%

Notes to Schedule:

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

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

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

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Interest	\$ 7,788	\$ 9,123	\$ 9,770	\$ 10,413	\$ 10,413	\$ 9,634
Difference between expected and actual experience	-	-	(3,727)	-	9,443	-
Changes of assumptions or other inputs	(106,978)	22,966	6,183	7,989	13,631	(20,789)
Benefit payments	(16,739)	(18,942)	(18,947)	(17,314)	(16,169)	(15,085)
Net Change in Total OPEB Liability	(115,929)	13,147	(6,721)	1,088	17,318	(26,240)
Total OPEB Liability, Beginning of Year	365,597	352,450	359,171	358,083	340,765	367,005
Total OPEB Liability, End of Year	<u>\$ 249,668</u>	<u>\$ 365,597</u>	<u>\$ 352,450</u>	<u>\$ 359,171</u>	<u>\$ 358,083</u>	<u>\$ 340,765</u>
Covered Employee Payroll	N/A - Retirees	N/A - Retirees	N/A - Retirees	N/A - Retirees	N/A - Retirees	N/A - Retirees
Total OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes of Assumptions: In 2023, the discount rate changed from 2.18% to 4.09%.

In 2022, the discount rate changed from 2.66% to 2.18%.

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

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

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

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's portion of the net pension liability	0.01789%	0.01753%	0.01619%	0.01641%	0.01653%	0.01944%	0.01992%	0.02078%	0.02057%
City's proportionate share of the net pension liability	\$ 3,229,855	\$ 1,598,340	\$ 2,254,622	\$ 2,237,855	\$ 2,254,999	\$ 2,586,083	\$ 2,680,474	\$ 2,381,517	\$ 2,143,875
City's covered payroll	\$ 1,170,649	\$ 1,118,516	\$ 1,100,523	\$ 1,033,736	\$ 1,063,064	\$ 1,125,719	\$ 1,013,674	\$ 1,141,555	\$ 1,061,682
City's proportionate share of the pension liability as a percentage of its covered payroll	275.90%	142.90%	204.87%	216.48%	212.12%	229.73%	264.43%	208.62%	201.93%
Plan fiduciary net position as a percentage of the total pension liability	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	76.30%

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

The following table presents significant assumption changes:

	2021 through 2022	2020 through 2017	2016 through 2014
Inflation rate	2.50%	2.75%	3.50%
Payroll growth	3.50%	5.00%	5.00%
Investment rate of return	7.25%	7.50%	8.00%
Productivity pay increase	0.50%	0.50%	0.75%
Projected salary increases			
Regular**	4.20% to 9.10%	4.25% to 9.15%	4.60% to 9.75%
Police/Fire**	4.60% to 14.50%	4.55% to 13.90%	5.25% to 14.50%
Consumer price index	2.50%	2.75%	3.50%
Mortality rates			
Healthy***	Pub-2010 General and Safety Healthy Retiree and Employee	Headcount-Weighted RP-2014 Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	Pub-2010 Non-Safety and Safety Disabled Retiree Amount-Weighted	Headcount-Weighted RP-2014 Disabled	RP-2000 Disabled Retiree Mortality Table
Current beneficiaries***	Pub-2010 Contingent Survivor and General Employee	Headcount-Weighted RP-2014 Healthy	N/A
Pre-retirement***	Pub-2010 General and Safety Employee	Headcount-Weighted RP-2014 Employee	N/A
Future mortality improvement	Generational Projection Scale MP-2020	6 years	N/A

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

*** Amount-Weighted Above-Median.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 219,117	\$ 197,211	\$ 177,674	\$ 172,414	\$ 157,254	\$ 161,000	\$ 174,622	\$ 168,881	\$ 160,391
Contributions in relation to the statutorily required contribution**	\$ 219,117	\$ 197,211	\$ 177,674	\$ 172,414	\$ 157,254	\$ 161,000	\$ 174,622	\$ 168,881	\$ 160,391
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,305,569	\$ 1,170,649	\$ 1,118,516	\$ 1,100,523	\$ 1,033,736	\$ 1,063,064	\$ 1,125,719	\$ 1,013,684	\$ 1,141,555
Contributions as a percentage of covered payroll	16.78%	16.85%	15.88%	15.67%	15.21%	15.14%	15.51%	16.66%	14.05%

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

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

Note 1 - Budgetary Information

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

1. On or before April 15, the City Council files a tentative budget with the Nevada Department of Taxation for all funds for the fiscal year beginning the following July 1. The tentative budget is prepared by fund, function and department and includes proposed expenditures and the means of financing them.
2. Public budget hearings on the tentative budget are held in May.
3. Prior to June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the majority vote of the Council. The final budget must then be forwarded to the Nevada Department of Taxation for final approval. The above dates may be adjusted as necessary during legislative years.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year, however encumbrance accounting is not utilized. All appropriations lapse at the end of the fiscal year.
5. The appropriated budget amounts may be transferred between functions, funds, or contingency accounts if the transfer does not increase the total appropriations for fiscal year amounts subject to advisement of the Council at the next subsequent meeting and must be recorded in the minutes of the meeting. Budget augmentations and amendments in excess of original budgetary amounts require prior approval of the City Council following a scheduled and noticed public hearing.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts reflected in the accompanying financial statements recognize budget amendments made during the year in accordance with the above procedures.
7. In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various functions of the governmental funds, except for bond repayments, short-term financing repayment and any other long-term contract expressly authorized by law, and certain other items specified in NRS 354.626. For proprietary funds, the sum of operating and nonoperating expenses may not exceed the sum of budgeted operating and nonoperating expenses.

Note 2 - Comparative Data

Comparative data shown in the supplementary information sections for the prior year has been extracted from the 2021-2022 financial statements and reclassified where necessary and practical to afford better comparability between the years. It has been provided to add comparability but is not considered full disclosure of transactions for 2021-2022. Such information can only be obtained by referring to the audited financial statements for that year.



Supplementary Information
June 30, 2023

City of Carlin

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 20,000	\$ 20,000	\$ 34,477	\$ 14,477	\$ 40,963
Expenditures					
Current					
Public safety					
Fire and ambulance					
Capital outlay	600,000	800,000	681,426	118,574	-
Excess (Deficiency) of Revenues over (under) Expenditures	(580,000)	(780,000)	(646,949)	133,051	40,963
Other Financing (Uses)					
Transfers in	600,000	600,000	600,000	-	300,000
Net Change in Fund Balance	20,000	(180,000)	(46,949)	133,051	340,963
Fund Balance, Beginning of Year	1,351,842	1,672,806	1,672,805	(1)	1,331,842
Fund Balance, End of Year	<u>\$ 1,371,842</u>	<u>\$ 1,492,806</u>	<u>\$ 1,625,856</u>	<u>\$ 133,050</u>	<u>\$ 1,672,805</u>

City of Carlin
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds								Permanent Fund	Total	
	Grants Fund	Open Door Senior Citizens Center Fund	Parks and Recreation Fund	Municipal Court Building Fund	Administrative Assessment Fund	Parks and Recreation Fund #2	Equestrian Center Fund	Police Forfeiture	Debt Service Fund		Perpetual Cemetery Care Fund
Assets											
Cash	\$ 67,667	\$ 140,215	\$ 279,084	\$ 7,212	\$ 13,177	\$ 95,979	\$ 117,014	\$ 109,896	\$ 4,826	\$ 63,763	\$ 898,833
Accounts receivable	-	-	17,748	120	896	-	991	-	-	-	19,755
Due from other governments	-	20,814	-	-	-	-	-	-	-	-	20,814
Prepaid items	-	1,909	-	-	-	-	-	-	-	-	1,909
Restricted cash	-	-	-	-	-	-	-	-	12,100	33,004	45,104
Total assets	\$ 67,667	\$ 162,938	\$ 296,832	\$ 7,332	\$ 14,073	\$ 95,979	\$ 118,005	\$ 109,896	\$ 16,926	\$ 96,767	\$ 986,415
Liabilities											
Accounts payable	\$ 496	\$ 3,943	\$ -	\$ -	\$ -	\$ -	\$ 6,547	\$ -	\$ -	\$ -	\$ 10,986
Due to other governments	-	-	1,565	-	727	-	-	-	-	-	2,292
Unearned revenue - grants	13,361	-	-	-	-	-	-	-	-	-	13,361
Total liabilities	13,857	3,943	1,565	-	727	-	6,547	-	-	-	26,639
Fund Balance											
Nonspendable	-	1,909	-	-	-	-	-	-	-	33,004	34,913
Restricted for											
Debt service	-	-	-	-	-	-	-	-	12,100	-	12,100
Perpetual cemetery care	-	-	-	-	-	-	-	-	-	63,763	63,763
Senior center	-	662	-	-	-	-	-	-	-	-	662
Court facilities fees (NRS 176.0611)	-	-	-	7,332	-	-	-	-	-	-	7,332
Judicial fees (NRS 176.059)	-	-	-	-	13,346	-	-	-	-	-	13,346
Committed for											
Future community development	-	-	83,836	-	-	-	-	-	-	-	83,836
Recreational activities	-	-	211,431	-	-	95,979	-	-	-	-	307,410
Public safety	-	-	-	-	-	-	-	109,896	-	-	109,896
Assigned											
Subsequent year operations	-	35,950	-	-	-	-	-	-	-	-	35,950
Other purposes	53,810	120,474	-	-	-	-	111,458	-	4,826	-	290,568
Total fund balance	53,810	158,995	295,267	7,332	13,346	95,979	111,458	109,896	16,926	96,767	959,776
Total Liabilities and Fund Balance	\$ 67,667	\$ 162,938	\$ 296,832	\$ 7,332	\$ 14,073	\$ 95,979	\$ 118,005	\$ 109,896	\$ 16,926	\$ 96,767	\$ 986,415

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds									Permanent Fund	Total
	Grants Fund	Open Door Senior Citizens Center Fund	Parks and Recreation Fund	Municipal Court Building Fund	Administrative Assessment Fund	Parks and Recreation Fund #2	Equestrian Center Fund	Police Forfeiture	Debt Service Fund	Perpetual Cemetery Care Fund	
Revenues											
Taxes	\$ -	\$ -	\$ 60,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,558
Intergovernmental	13,884	118,836	-	-	-	-	-	-	-	-	132,720
Charges for services	-	13,769	-	-	-	-	-	-	-	-	13,769
Miscellaneous	-	12,422	-	610	4,198	13,665	10,997	-	-	2,702	44,594
Total revenues	13,884	145,027	60,558	610	4,198	13,665	10,997	-	-	2,702	251,641
Expenditures											
Current											
General government	13,942	-	-	-	-	-	-	-	-	-	13,942
Judicial	-	-	-	-	3,415	-	-	-	-	-	3,415
Culture and recreation	-	236,935	5,697	-	-	12,764	20,999	-	-	-	276,395
Capital outlay	-	-	-	-	-	-	17,116	-	-	-	17,116
Debt service											
Principal	-	-	-	-	-	-	-	-	7,221	-	7,221
Interest	-	-	-	-	-	-	-	-	4,879	-	4,879
Total expenditures	13,942	236,935	5,697	-	3,415	12,764	38,115	-	12,100	-	322,968
Excess (Deficiency) of Revenues Over Expenditures	(58)	(91,908)	54,861	610	783	901	(27,118)	-	(12,100)	2,702	(71,327)
Other Financing Sources (Uses)											
Transfers in	-	100,000	-	-	-	-	35,000	-	12,100	-	147,100
Transfers out	-	-	(85,000)	-	-	-	-	-	-	-	(85,000)
Total other financing sources (uses)	-	100,000	(85,000)	-	-	-	35,000	-	12,100	-	62,100
Net Change in Fund Balance	(58)	8,092	(30,139)	610	783	901	7,882	-	-	2,702	(9,227)
Fund Balances, Beginning of Year	53,868	150,903	325,406	6,722	12,563	95,078	103,576	109,896	16,926	94,065	969,003
Fund Balances, End of Year	\$ 53,810	\$ 158,995	\$ 295,267	\$ 7,332	\$ 13,346	\$ 95,979	\$ 111,458	\$ 109,896	\$ 16,926	\$ 96,767	\$ 959,776

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Grants Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues				
Intergovernmental				
Grants	<u>\$ 50,000</u>	<u>\$ 13,884</u>	<u>\$ (36,116)</u>	<u>\$ 33,248</u>
Expenditures				
Current				
General government				
Services and supplies	<u>50,000</u>	<u>13,942</u>	<u>36,058</u>	<u>1,453</u>
Net Change in Fund Balance	-	(58)	(58)	31,795
Fund Balance, Beginning of Year	<u>22,073</u>	<u>53,868</u>	<u>31,795</u>	<u>22,073</u>
Fund Balance, End of Year	<u><u>\$ 22,073</u></u>	<u><u>\$ 53,810</u></u>	<u><u>\$ 31,737</u></u>	<u><u>\$ 53,868</u></u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Open Door Senior Citizens Center
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Intergovernmental				
Federal grants	\$ 54,000	\$ 49,242	\$ (4,758)	\$ 60,259
State grants	-	-	-	14,978
Cash match	85,000	66,681	(18,319)	78,671
USDA	8,000	2,913	(5,087)	10,086
	<u>147,000</u>	<u>118,836</u>	<u>(28,164)</u>	<u>163,994</u>
Charges for services	<u>16,250</u>	<u>13,769</u>	<u>(2,481)</u>	<u>11,903</u>
Miscellaneous				
Contributions	10,000	11,760	1,760	9,499
In-kind revenue	1,000	662	(338)	755
	<u>11,000</u>	<u>12,422</u>	<u>1,422</u>	<u>10,254</u>
Total revenues	<u>174,250</u>	<u>145,027</u>	<u>(29,223)</u>	<u>186,151</u>
Expenditures				
Current				
Culture and recreation				
Salaries and wages	120,000	89,387	30,613	98,461
Employee benefits	95,000	69,091	25,909	81,588
Services and supplies	122,800	78,457	44,343	76,179
Capital outlay	-	-	-	20,331
Total expenditures	<u>337,800</u>	<u>236,935</u>	<u>100,865</u>	<u>276,559</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(163,550)</u>	<u>(91,908)</u>	<u>71,642</u>	<u>(90,408)</u>
Other Financing Sources (Uses)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balance	(63,550)	8,092	71,642	(60,408)
Fund Balance, Beginning of Year	<u>78,711</u>	<u>150,903</u>	<u>72,192</u>	<u>211,311</u>
Fund Balance, End of Year	<u>\$ 15,161</u>	<u>\$ 158,995</u>	<u>\$ 143,834</u>	<u>\$ 150,903</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Parks and Recreation Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Taxes				
Room tax revenues	\$ 31,000	\$ 60,558	\$ 29,558	\$ 39,611
Expenditures				
Current				
Culture and recreation Services and supplies	4,000	5,697	(1,697)	2,667
Excess (Deficiency) of Revenues over (under) Expenditures	27,000	54,861	27,861	36,944
Other Financing Sources (Uses)				
Transfers out	(85,000)	(85,000)	-	-
Net Change in Fund Balance	(58,000)	(30,139)	27,861	36,944
Fund Balance, Beginning of Year	288,462	325,406	36,944	288,462
Fund Balance, End of Year	<u>\$ 230,462</u>	<u>\$ 295,267</u>	<u>\$ 64,805</u>	<u>\$ 325,406</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Municipal Court Building Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Miscellaneous				
Building assessments	\$ 2,500	\$ 610	\$ (1,890)	\$ 1,002
Net Change in Fund Balance	2,500	610	(1,890)	1,002
Fund Balance, Beginning of Year	8,220	6,722	(1,498)	5,720
Fund Balance, End of Year	<u>\$ 10,720</u>	<u>\$ 7,332</u>	<u>\$ (3,388)</u>	<u>\$ 6,722</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Administrative Assessment Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Miscellaneous				
Administrative assessments	\$ 11,200	\$ 4,198	\$ (7,002)	\$ 4,427
Expenditures				
Current				
Judicial				
Services and supplies	10,500	3,415	7,085	4,091
Net Change in Fund Balance	700	783	83	336
Fund Balance, Beginning of Year	12,926	12,563	(363)	12,227
Fund Balance, End of Year	<u>\$ 13,626</u>	<u>\$ 13,346</u>	<u>\$ (280)</u>	<u>\$ 12,563</u>

City of Carlin

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

Parks and Recreation Fund #2

Year Ended June 30, 2023

(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Miscellaneous				
Other income	\$ 20,000	\$ 13,665	\$ (6,335)	\$ 19,377
Expenditures				
Current				
Culture and recreation				
Parks				
Services and supplies	20,000	12,764	7,236	12,130
Net Change in Fund Balance	-	901	901	7,247
Fund Balance, Beginning of Year	87,831	95,078	7,247	87,831
Fund Balance, End of Year	<u>\$ 87,831</u>	<u>\$ 95,979</u>	<u>\$ 8,148</u>	<u>\$ 95,078</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Equestrian Center Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Miscellaneous				
Other income	\$ 54,000	\$ 10,997	\$ (43,003)	\$ 39,496
Expenditures				
Current				
Culture and recreation				
Parks				
Services and supplies	49,000	20,999	28,001	21,735
Capital outlay	35,000	17,116	17,884	-
Total expenditures	84,000	38,115	45,885	21,735
Excess (Deficiency) of Revenues over (under) Expenditures	(30,000)	(27,118)	2,882	17,761
Other Financing Sources				
Transfers in	35,000	35,000	-	-
Net Change in Fund Balance	5,000	7,882	2,882	17,761
Fund Balance, Beginning of Year	85,815	103,576	17,761	85,815
Fund Balance, End of Year	<u>\$ 90,815</u>	<u>\$ 111,458</u>	<u>\$ 20,643</u>	<u>\$ 103,576</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Police Forfeiture Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues				
Fines and forfeits				
Forfeitures	\$ 10,000	\$ -	\$ (10,000)	\$ -
Expenditures				
Current				
Public safety				
Police				
Services and supplies	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>107,896</u>	<u>109,896</u>	<u>2,000</u>	<u>109,896</u>
Fund Balance, End of Year	<u><u>\$ 107,896</u></u>	<u><u>\$ 109,896</u></u>	<u><u>\$ 2,000</u></u>	<u><u>\$ 109,896</u></u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Debt Service Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Expenditures				
Debt service				
Principal	\$ 7,221	\$ 7,221	\$ -	\$ 6,918
Interest	4,879	4,879	-	5,182
Total expenditures	12,100	12,100	-	12,100
Other Financing Sources				
Transfers in	12,100	12,100	-	-
Net Change in Fund Balance	-	-	-	(12,100)
Fund Balance, Beginning of Year	16,926	16,926	-	29,026
Fund Balance, End of Year	<u>\$ 16,926</u>	<u>\$ 16,926</u>	<u>\$ -</u>	<u>\$ 16,926</u>

City of Carlin

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Perpetual Cemetery Care Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Revenues				
Miscellaneous				
Contributions from individuals	\$ 2,000	\$ 2,600	\$ 600	\$ 1,050
Interest income	75	102	27	22
Total revenues	<u>2,075</u>	<u>2,702</u>	<u>627</u>	<u>1,072</u>
Net Change in Fund Balance	2,075	2,702	627	1,072
Fund Balance, Beginning of Year	<u>96,093</u>	<u>94,065</u>	<u>(2,028)</u>	<u>92,993</u>
Fund Balance, End of Year	<u>\$ 98,168</u>	<u>\$ 96,767</u>	<u>\$ (1,401)</u>	<u>\$ 94,065</u>

City of Carlin

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Utility Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Final Budget	Actual	Variance	2022
Operating Revenues				
Utility fees				
Water	\$ 461,000	\$ 647,861	\$ 186,861	\$ 495,653
Garbage	156,000	169,134	13,134	245,820
Sewer	351,000	563,301	212,301	367,309
Street lights				
Use fees	25,000	28,260	3,260	29,650
Total operating revenues	<u>993,000</u>	<u>1,408,556</u>	<u>415,556</u>	<u>1,138,432</u>
Operating Expenses				
Water				
Salaries and wages	215,000	223,209	(8,209)	207,250
Employee benefits	110,000	85,809	24,191	72,110
Services and supplies	244,720	194,857	49,863	249,805
Depreciation	110,000	45,292	64,708	45,975
	<u>679,720</u>	<u>549,167</u>	<u>130,553</u>	<u>575,140</u>
Garbage				
Services and supplies	136,860	117,867	18,993	156,492
Sewer				
Salaries and wages	130,000	121,398	8,602	81,695
Employee benefits	60,000	56,107	3,893	27,868
Services and supplies	217,200	197,325	19,875	200,694
Depreciation	55,000	104,313	(49,313)	104,344
	<u>462,200</u>	<u>479,143</u>	<u>(16,943)</u>	<u>414,601</u>
Street lights				
Services and supplies	25,900	19,890	6,010	50,734
Total operating expenses	<u>1,304,680</u>	<u>1,166,067</u>	<u>138,613</u>	<u>1,196,967</u>
Operating Income (Loss)	<u>(311,680)</u>	<u>242,489</u>	<u>554,169</u>	<u>(58,535)</u>
Nonoperating Revenues				
Penalties earned	18,000	17,334	(666)	15,126
Miscellaneous income	500	-	(500)	-
Total nonoperating revenues (expenses)	<u>18,500</u>	<u>17,334</u>	<u>(1,166)</u>	<u>15,126</u>
Change in Net Position	<u>\$ (293,180)</u>	<u>259,823</u>	<u>\$ 553,003</u>	<u>(43,384)</u>
Net Position, Beginning of Year		<u>6,562,397</u>		<u>6,605,781</u>
Net Position, End of Year		<u>\$ 6,822,220</u>		<u>\$ 6,562,397</u>

City of Carlin
 Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989
 Year Ended June 30, 2023

Flat Fixed Fees		
Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2022		<u>\$ 48,217</u>
Adjustment of Base		
Base year		
1. Percentage increase in population of local government	0.00%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	<u>6.3%</u>	<u>6.30%</u>
		<u>3,038</u>
Adjusted base at June 30, 2023		51,255
Actual revenue		<u>20,197</u>
Amount under allowable amount		<u><u>\$ 31,058</u></u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 7, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2023-001, 2023-002, and 2023-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City of Carlin's Response to Findings

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Elko, Nevada
February 7, 2024

**2023-002 Bank Reconciliations
 Significant Deficiency**

Criteria: Management of the City of Carlin (the City) is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reconciliations and review of bank accounts in a timely and accurate manner is a key component of an effective system of internal control over financial reporting.

Condition: Bank reconciliations for July 1, 2022 to June 30, 2023 were not completed timely during the year, the reconciliation preparation of review for this time period was completed in October and November 2023.

Cause: The City did not have adequate internal controls to ensure bank reconciliations were timely reconciled and reviewed.

Effect: Misstatements may occur within cash and not be corrected or detected in a timely manner.

Recommendation: We recommend the City enhance internal controls to ensure bank reconciliations are timely prepared and reviewed during the year.

Management's Response: Management understands the importance of correcting this deficiency. Management will ensure that sufficient time and resources will be made available to both the new City Clerk and new City Manager and they will be provided additional training in the current fiscal year relating to timely preparation of bank reconciliation and proper review of the bank reconciliations. Currently, the City Clerk is working with their third party consultant on preparing the current year bank reconciliations.



Auditor's Comments

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

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the City failed to comply with the specific requirements of Nevada Revised Statutes other than those cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

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

Progress on Prior Year Statute Compliance

In the prior year, an apparent over expenditure of NRS 354.626 occurred in the Parks and Recreation Fund. The City monitored expenditures during the current year in order to prevent over expenditures, however, as reported in Note 2 of the financial statements, there was an instance of an over expenditure at June 30, 2023.

Disposition of Prior Year Recommendations

Prior year audit finding 2022-001 was included in the current year as finding 2023-001.

Current Year Audit Recommendations

See items noted in the Schedule of Findings and Responses.

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

Elko, Nevada
February 7, 2024