

The logo for the City of Carlin, Nevada, is a circular emblem. It features a large, stylized letter 'C' on the left side. Inside the circle, there is a depiction of a landscape with a mountain range and a river. The word 'CARLIN' is written in a large, serif font across the middle of the circle. Below the circle, the word 'NEVADA' is written in a smaller, sans-serif font.

**CITY OF CARLIN
NEVADA
ANNUAL FINANCIAL REPORT
JUNE 30, 2009**

CITY OF CARLIN
JUNE 30, 2009
TABLE OF CONTENTS

	<u>PAGE NO.</u>
FINANCIAL SECTION	
<u>INDEPENDENT AUDITOR'S REPORT 1</u>	
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>	2 – 7
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government-Wide Financial Statements:	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	14
Open Door Senior Citizens Center Fund	15
Proprietary Funds:	
Statement of Net Assets	16
Statement of Revenues, Expenses and Changes in Fund Net Assets	17
Statement of Cash Flows	18
Notes to Financial Statements	19 – 36
<u>SUPPLEMENTARY INFORMATION</u>	
Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	37 – 41
Open Door Senior Citizens Center Fund	42
Nonmajor Governmental Funds:	
Combining Balance Sheet	43 – 44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	45 – 46
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Municipal Court Building Fund	47
Administrative Assessment Fund	48
Grants Fund	49
Parks and Recreation Fund #2	50
Loss Control Excellence Fund	51
Equestrian Center Fund	52
Parks and Recreation Fund	53
Debt Service Fund	54
Capital Projects Fund	55
Perpetual Cemetery Care Fund	56

CITY OF CARLIN
JUNE 30, 2009
TABLE OF CONTENTS

PAGE NO.

Proprietary Funds:	
Schedule of Revenues, Expenses and Changes in Fund Net Assets –	
Budget and Actual:	
Utility Fund	57 - 58
Unemployment Liability Insurance Fund	59
 COMPLIANCE SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> 60-61	
Schedule of Findings and Responses	62-64
 AUDITOR'S COMMENTS	
Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989	65
Statute Compliance	66
Progress on Prior Year Statute Compliance	66
Prior Year Recommendations	66
Current Year Recommendations	66
Independent Accountant's Report on Nevada Revised Statute 354.624 (5) (a)	67

FINANCIAL SECTION



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Carlin, State of Nevada as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Carlin, State of Nevada's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Open Door Senior Citizens Center Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2010, on our consideration of the Authority'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 2 through 7, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carlin's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Elko, Nevada
January 8, 2010

Kafoury, Armstrong & Co.

CITY OF CARLIN
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2009

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 No. 37 and No. 38 governing the presentation of the financial statements, MD&A, and note disclosure for state and local governments. The components of the basic financial statements 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 Assets. Information on how the City’s net assets changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

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

Notes to the Financial Statements

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

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

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City Government (except fiduciary funds)	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private businesses	Instances in which the City is the trustee agent for someone else’s resources
Required Financial Statements	Statement of Net Assets, Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures & Changes in Fund Balances	Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flow	Statement of Fiduciary Net Assets, Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus Cash Flow	Accrual accounting and economic resources focus

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

	Government-wide Financial Statements	Fund Financial Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Types of Asset/ Liability Information	All assets and liabilities both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term
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	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Statement of Net Assets

The largest component, **\$6,317,375**, of the City's net assets reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment and others) less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Table 2: Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current & Other Assets \$	3,262,348	\$ 3,986,244	\$ 1,057,667	\$ 876,640	\$ 4,320,015	\$ 4,862,884
Capital Assets	3,869,438	3,751,331	3,015,453	2,639,886	6,884,891	6,391,217
Total Assets	7,131,786	7,737,575	4,073,120	3,516,526	11,204,906	11,254,101
Other Liabilities	201,005	182,576	93,402	67,555	294,407	250,131
Long-term Debt						
Due w/in one-year	43,991	48,319	13,049	12,063	57,040	60,382
Due in more than one-year	380,128	424,256	130,348	144,000	510,476	568,256
Total Liabilities	625,124	655,151	236,799	223,618	861,923	878,769
Net Assets:						
Invested in capital assets, net of related debt	3,445,319	3,278,756	2,872,056	2,483,823	6,317,375	5,762,579
Restricted:						
Debit service	6,050	4,840	14,280	12,240	20,330	17,080
Future community development	74,504	55,075	-	-	74,504	55,075
Perpetual cemetery care	33,004	3,044	-	-	33,004	3,044
Unrestricted	2,947,785	3,710,709	949,985	796,845	3,897,770	4,507,553
Total Net Assets	\$ 6,506,662	\$ 7,082,424	\$ 3,836,321	\$ 3,292,908	\$ 10,342,983	\$ 10,375,331

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

Changes in Net Assets

Table 3 presents the City's Changes in Net Assets, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net assets of the governmental activities decreased by \$575,761 and the net assets of the business-type activities increased by \$543,413.

Table 3: Changes in Net Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Program Revenues						
Charges for Services	\$ 316,870	\$ 160,375	\$ 853,496	\$ 714,403	\$ 1,170,366	\$ 874,778
Operating Grants	188,566	187,791	-	-	188,566	187,791
Capital Grants and Contributions	76,542	5 4,212	-	-	76,542	5 4,212
<i>Total Program Revenues</i>	<u>581,978</u>	<u>40 2,378</u>	<u>853,496</u>	<u>71 4,403</u>	<u>1,435,474</u>	<u>1, 116,781</u>
General Revenues						
Taxes						
Property	317,512	306,150	-	-	317,512	306,150
Room	87,542	112,118	-	-	87,542	112,118
Consolidated revenues	1,518,636	1,412,009	-	-	1,518,636	1,412,009
Interest/Investments	71,385	92,983	26,288	33,172	97,673	126,155
Miscellaneous	67,462	244,944	63,599	-	131,061	244,944
Gain on sale of capital assets	104,981	-	-	-	104,981	-
<i>Total General Revenues</i>	<u>2,167,518</u>	<u>2, 168,204</u>	<u>89,887</u>	<u>3 3,172</u>	<u>2,257,405</u>	<u>2, 201,376</u>
Total Revenues	<u>2,749,496</u>	<u>2,570,582</u>	<u>943,383</u>	<u>74 7,575</u>	<u>3,692,879</u>	<u>3, 318,157</u>
Program Expenses						
General Government	1,484,146	679,393	-	-	1,484,146	679,393
Public Safety	622,151	605,654	-	-	622,151	605,654
Judicial	57,812	33,582	-	-	57,812	33,582
Public Works	469,515	397,455	-	-	469,515	397,455
Health and Sanitation	85,099	68,152	-	-	85,099	68,152
Culture and Recreation	339,447	290,520	-	-	339,447	290,520
Community Support	47,075	54,621	-	-	47,075	54,621
Water	-	-	209,506	304,777	209,506	304,778
Garbage	-	-	116,039	127,751	116,039	127,751
Sewer	-	-	250,823	272,474	250,823	272,474
Street Lights	-	-	23,602	18,853	23,602	18,853
Interest on long-term debt	20,012	14,681	-	-	20,012	14,680
Total Program Expenses	<u>3,125,257</u>	<u>2, 144,058</u>	<u>599,970</u>	<u>72 3,855</u>	<u>3,725,227</u>	<u>2, 867,913</u>
Increase (decrease) in net assets before transfers	(375,761)	42 6,524	34 3,413	2 3,720	(32,348)	45 0,244
Transfers	(200,000)	-	200,000	-	-	-
Change in Net Assets	(575,761)	42 6,524	543,413	2 3,720	(32,348)	45 0,244
Beginning Net Assets	7,082,423	6,655,899	3,292,908	3,269,188	10,375,331	9,925,087
Ending Net Assets	<u>6,506,662</u>	<u>\$ 7, 082,423</u>	<u>3,836,321</u>	<u>\$ 3, 292,908</u>	<u>\$10,342,983</u>	<u>\$ 10,375,331</u>

**CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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, 2009**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
General Government	\$ 1,484,146	\$ -	\$ 1,484,146
Public Safety	622,151	221,986	400,165
Judicial	57,812	-	57,812
Public Works	469,515	117,490	352,025
Health and Sanitation	85,099	-	85,099
Culture and Recreation	339,447	242,502	96,945
Community Support	47,075	-	47,075
Interest on long-term debt	20,012	-	47,075
Totals	\$ 3,125,257	\$ 581,978	\$ 2,543,279

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, 2009**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Water	\$ 209,506	\$ 347,527	\$ (138,021)
Garbage	116,039	200,479	(84,440)
Sewer	250,823	281,888	(31,065)
Street Lights	23,602	23,602	-
Totals	\$ 599,970	\$ 853,496	\$ (253,526)

Overall Analysis

Financial highlights for the City during the fiscal year ended June 30, 2009, include the following:

- The City's total Net Assets for all activities decreased from \$10,375,331 to \$10,342,983, a decrease of \$32,348, or half percent (.5%). It should be noted that, while the City expended funds on needed infrastructure improvements, overall operating expenses in the General Fund were below budgeted levels by \$287,667 and General Fund revenues exceeded expenses by \$144,387. The decrease in Total Net Assets can be attributed to the following:
 - Total revenues among all government funds were down by \$126,067, five percent (5%) from Fiscal Year 2008

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

- The repossession of property from a Developer for which the City held a note in the amount of \$870,000 and which had been carried as a receivable in the General Fund for two years, resulted in the receivable being written down to zero as of June 30, 2009. The effect was to reduce the Total Net Assets of the City by \$870,000. It should be noted that the receivable note was not liquid and did not represent a ready source of cash for the City. Had the receivable note not been written down in the current year, Change in Net Assets for fiscal year 2009 would actually have increased by \$763,555.
- The City's Business-type Activities (Utility Fund) revenues exceeded expenses by \$543,413. This was a significant increase of \$519,693 over the previous year's increase of \$23,720. The two factors contributing to this increase are:
 - The approved increase in Utility billing rates which will allow the Utility Fund to be self-sustaining and plan for needed infrastructure improvements and maintenance.
 - The transfer of \$200,000 from the General Fund to the Utility Fund to partially cover the installation of sewer and water lines in the Industrial Park.

Fund Analysis

Governmental Funds

At the close of the fiscal year ending June 30, 2009, the City's governmental funds reported a combined ending fund balance of \$3,015,389, representing an increase of \$52,155 from the previous fiscal year.

General Fund

Fund balance at June 30, 2009 totaled \$2,334,254 which is a decrease of \$208,013 from the previous fiscal year. Note, that this decrease includes the transfer of \$140,000 to the Open Door Senior Center Fund to help reduce that fund's deficit that had been carried forward for a number of years, and \$200,000 to the Utility Fund to offset expenses associated with the sewer and water line installations. Had these transfers remained in the General Fund, they would have increased its ending balance by \$131,969 over the previous Fiscal Year.

Open Door Senior Citizens Center Fund

Fund balance at June 30, 2009 showed a deficit of \$3,264, which is a decrease in the deficit of \$93,755. This major deficit reduction was possible because of the transfer of funds from the General Fund.

Parks & Recreation Fund (Nonmajor)

Fund balance at June 30, 2009 totaled \$394,363, which is an increase of \$82,542. The ending fund balance for fiscal year 2008 was \$311,821. While this is an increase, the amount of the increase is down significantly from the previous year. This decrease in the fund balance gain is due to the revision and enactment of a new transient lodging tax ordinance which reduces the number of residents designated as transients and therefore reduces the transient lodging tax the City is able to receive.

Nonmajor Governmental Funds

Fund balance at June 30, 2009 totaled \$684,399, which is an increase of \$166,413 from the previous fiscal year. The following table shows the funds that are included in the Nonmajor Governmental Funds, fund balance as of June 30, 2009 and increase/(decrease) from previous fiscal year:

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

Fund	Fund Balance June 30, 2009	Increase/(Decrease)
Special Revenue Funds:		
Municipal Court Building Fund	\$ 24,774	\$ 1,568
Administrative Assessment Fund	(11,309)	(4,570)
Grants Fund	663	23,856
Parks and Recreation Fund #2	20,585	12,967
Loss Control Excellence Fund	0	(3,750)
Equestrian Center Fund	10,871	(1,819)
Parks and Recreation Fund	394,363	82,542
Debt Service Fund	50,097	19,532
Capital Projects Fund	115,739	35,319
Perpetual Cemetery Care (Permanent) Fund	78,616	768

Proprietary Funds

Following is a list of the proprietary funds and their respective net assets at June 30, 2009.

Fund	Net Assets at June 30, 2009
Utility	\$ 3,836,321
Unemployment Liability Insurance (Internal Service)	2,379

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2009, the City reported \$3,869,438 in capital assets for governmental activities and \$3,015,453 in capital assets for business-type activities. The increases in assets were primarily from the purchase of the new ambulance, improvements at the Cemetery and future library site and the sewer line installation in the Industrial Park. Additional information regarding capital assets is provided in Note 4 to the financial statements.

Long-term Debt Activity

Long-term debt outstanding at June 30, 2009 totaled \$567,516. The debt consists of \$242,400 – Police Vehicles, Ambulance, Backhoe; \$181,719 - Senior Center; \$143,397 – Water Line Extension (2/3 of this debt is paid by the City of Elko and Elko County);

Additionally, the City estimates \$82,431 for compensated absences. Additional information regarding long-term debt is provided in Note 7 to the financial statements.

Requests for Information

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

CITY OF CARLIN
STATEMENT OF NET ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 2,830,750	\$ 977,647	\$ 3,808,397
Accounts receivable	51,677	80,020	131,697
Taxes receivable, delinquent	23,416	-	23,416
Due from other governments	257,796	-	257,796
Notes receivable, net of allowance	93,709	-	93,709
Deposits	5,000	-	5,000
Capital assets, net of accumulated depreciation	3,097,567	2,937,398	6,034,965
Capital assets, not being depreciated	<u>771,871</u>	<u>78,055</u>	<u>849,926</u>
Total Assets	<u>7,131,786</u>	<u>4,073,120</u>	<u>11,204,906</u>
LIABILITIES			
Accounts payable and other	58,694	49,943	108,637
Accrued salaries and related liabilities	70,365	7,665	78,030
Compensated absences, current portion	34,500	12,900	47,400
Due to other governments	-	117	117
Customer meter deposits	-	15,781	15,781
Unearned revenue	9,411	-	9,411
Compensated absences, due in more than one year	28,035	6,996	35,031
Long-term debt			
Due within one year	43,991	13,049	57,040
Due in more than one year	<u>380,128</u>	<u>130,348</u>	<u>510,476</u>
Total Liabilities	<u>625,124</u>	<u>236,799</u>	<u>861,923</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,445,319	2,872,056	6,317,375
Restricted for:			
Debt service	6,050	14,280	20,330
Future community development	74,504	-	74,504
Perpetual cemetery care	33,004	-	33,004
Unrestricted	<u>2,947,785</u>	<u>949,985</u>	<u>3,897,770</u>
Total Net Assets	<u>\$ 6,506,662</u>	<u>\$ 3,836,321</u>	<u>\$ 10,342,983</u>

See accompanying notes.

CITY OF CARLIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
Governmental Activities:				
General Government	\$ 1,484,146	\$ -	\$ -	\$ -
Public Safety	622,151	145,444	-	76,542
Judicial	57,812	-	-	-
Public Works	469,515	117,490	-	-
Health and Sanitation	85,099	-	-	-
Culture and Recreation	339,447	53,936	188,566	-
Community Support	47,075	-	-	-
Interest on long-term debt	20,012	-	-	-
Total Governmental Activities	3,125,257	316,870	188,566	76,542
Business-type Activities:				
Water	209,506	347,527	-	-
Garbage	116,039	200,479	-	-
Sewer	250,823	281,888	-	-
Street lights	23,602	23,602	-	-
Total Business-type Activities	599,970	853,496	-	-
Total Primary Government	\$ 3,725,227	\$ 1,170,366	\$ 188,566	\$ 76,542

General revenues:

Property Taxes
Room Taxes
Consolidated Revenues
Interest and Investment Earnings
Miscellaneous Revenue
Gain on sale of capital assets
Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, July 1

Net Assets, June 30

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,484,146)	\$ -	\$ (1,484,146)
(400,165)	-	(400,165)
(57,812)	-	(57,812)
(352,025)	-	(352,025)
(85,099)	-	(85,099)
(96,945)	-	(96,945)
(47,075)	-	(47,075)
(20,012)	-	(20,012)
<u>(2,543,279)</u>	<u>-</u>	<u>(2,543,279)</u>
-	138,021	138,021
-	84,440	84,440
-	31,065	31,065
-	-	-
<u>-</u>	<u>253,526</u>	<u>253,526</u>
<u>(2,543,279)</u>	<u>253,526</u>	<u>(2,289,753)</u>
317,512	-	317,512
87,542	-	87,542
1,518,636	-	1,518,636
71,385	26,288	97,673
67,462	63,599	131,061
104,981	-	104,981
(200,000)	200,000	-
<u>1,967,518</u>	<u>289,887</u>	<u>2,257,405</u>
(575,761)	543,413	(32,348)
<u>7,082,423</u>	<u>3,292,908</u>	<u>10,375,331</u>
<u>\$ 6,506,662</u>	<u>\$ 3,836,321</u>	<u>\$ 10,342,983</u>

**CITY OF CARLIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	GENERAL	OPEN DOOR SENIOR CITIZENS CENTER
ASSETS		
Cash and investments	\$ 2,145,522	\$ -
Receivables, net of allowances		
Accounts	42,285	-
Note	890,003	-
Taxes	11,015	-
Due from other governments	238,951	14,231
Due from other funds	22,551	-
Deposits	5,000	-
Total Assets	\$ 3,355,327	\$ 14,231
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 53,713	\$ 3,116
Accrued expenses	67,425	2,940
Due to other funds	-	11,439
Bail and fines held	521	-
Deferred revenue	899,414	-
Total Liabilities	1,021,073	17,495
FUND BALANCES (DEFICIT)		
Reserved for:		
Debt service	-	-
Perpetual cemetery care	-	-
Future community development	-	-
Unreserved, reported in:		
General fund	2,334,254	-
Special revenue funds	-	(3,264)
Debt service fund	-	-
Capital projects fund	-	-
Permanent fund	-	-
Total Fund Balances (Deficit)	2,334,254	(3,264)
Total Liabilities and Fund Balances	\$ 3,355,327	\$ 14,231

See accompanying notes

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 682,849	\$ 2,828,371
9,392	51,677
-	890,003
-	11,015
4,614	257,796
-	22,551
-	5,000
<u>696,855</u>	<u>4,066,413</u>

\$ 1,344	\$ 58,173
-	70,365
11,112	22,551
-	521
-	899,414
<u>12,456</u>	<u>1,051,024</u>

6,050	6,050
33,004	33,004
74,504	74,504
-	2,334,254
365,443	362,179
44,047	44,047
115,739	115,739
45,612	45,612
<u>684,399</u>	<u>3,015,389</u>
<u>696,855</u>	<u>4,066,413</u>

CITY OF CARLIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total fund balance, governmental funds \$ 3,015,389

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

Capital assets net of the related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net assets.

Capital assets	8,490,699	
Less accumulated depreciation	<u>(5,393,132)</u>	
	3,097,567	
Capital assets, not being depreciated	<u>771,871</u>	3,869,438

Assets and liabilities of the internal service fund are not reported in the fund financial statements because they are presented on a different accounting basis, but are presented as assets and liabilities in the government-wide statements. 2,379

Deferred revenue represents amounts that are not available to fund current expenditures, and therefore, are not reported in the government funds. 106,110

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Notes payable	(424,119)	
Compensated absences	<u>(62,535)</u>	<u>(486,654)</u>

Total net assets, governmental activities \$ 6,506,662

CITY OF CARLIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	OPEN DOOR SENIOR CITIZENS CENTER
REVENUES		
Taxes	\$ 293,507	\$ -
Licenses, permits and fees	117,489	-
Intergovernmental 1,579,643		129,845
Charges for services	70,107	23,263
Fines and forfeits	75,337	-
Miscellaneous	94,687	-
	<u>2,230,770</u>	<u>153,108</u>
Total Revenues		
EXPENDITURES		
Current:		
General government	670,106	-
Public safety	727,893	-
Judicial	57,577	-
Public works	412,382	-
Health and sanitation	82,841	-
Culture and recreation	88,700	199,353
Community support	46,884	-
Debt service		
Principal	-	-
Interest	-	-
	<u>2,086,383</u>	<u>199,353</u>
Total Expenditures		
Excess (Deficiency) of Revenues Over Expenditures	<u>144,387</u>	<u>(46,245)</u>
OTHER FINANCING SOURCE (USES)		
Sale of fixed assets	121,282	-
Transfer in	-	140,000
Transfer out	(473,682)	-
	<u>(352,400)</u>	<u>140,000</u>
Total Other Financing Sources (Uses)		
Net Change in Fund Balance	(208,013)	93,755
FUND BALANCES (DEFICIT), July 1	<u>2,542,267</u>	<u>(97,019)</u>
FUND BALANCES (DEFICIT), June 30	<u>\$ 2,334,254</u>	<u>\$ (3,264)</u>

See accompanying notes

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 107,861	\$ 401,368
-	117,489
85,979	1,795,467
-	93,370
-	75,337
42,010	136,697
<u>235,850</u>	<u>2,619,728</u>
-	670,106
36,620	764,513
-	57,577
-	412,382
1,785	84,626
88,246	376,299
-	46,884
48,456	48,456
20,012	20,012
<u>195,119</u>	<u>2,480,855</u>
<u>40,731</u>	<u>138,873</u>
-	121,282
134,432	274,432
<u>(8,750)</u>	<u>(482,432)</u>
<u>125,682</u>	<u>(86,718)</u>
166,413	52,155
<u>517,986</u>	<u>2,963,234</u>
<u>\$ 684,399</u>	<u>\$ 3,015,389</u>

CITY OF CARLIN
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balances, governmental funds	\$	52,155
<p>Amounts reported for governmental activities in the statements of activities are different because:</p>		
<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 assets 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		397,638
Deletion of capital assets, net of accumulated depreciation		(16,301)
Current depreciation expense		<u>(263,230)</u>
		118,107
<p>The net revenue or loss of the City's internal service fund is not reported in the fund financial statements because they are presented on a different accounting basis, but they are included in the statement of activities.</p>		
		6,433
<p>Property taxes that were collected within the current period but were levied in a prior period are reported as revenue in the fund statements but should not be reported as revenue in the statement of activities since these amounts should have been reported in a previous reporting period.</p>		
		3,687
<p>Loss from repossession of property not recognized in governmental funds due to offsetting deferred revenue.</p>		
		(796,294)
<p>Long-term liabilities, include notes payable, that are not due and payable in current period and therefore are not reported in the funds.</p>		
Note payable - principal payments		48,456
<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>		
Compensated absences		<u>(8,305)</u>
Change in net assets of governmental activities	\$	<u>(575,761)</u>

CITY OF CARLIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 272,300	\$ 302,300	\$ 293,507	\$ (8,793)
Licenses, Permits and Fees	70,500	82,500	117,489	34,989
Intergovernmental	1,087,504	1,349,504	1,579,643	230,139
Charges for Services	63,000	93,000	70,107	(22,893)
Fines and Forfeits	27,500	18,500	75,337	56,837
Miscellaneous	99,000	87,000	94,687	7,687
	<u>1,619,804</u>	<u>1,932,804</u>	<u>2,230,770</u>	<u>297,966</u>
EXPENDITURES				
Current:				
General Government	771,000	721,000	670,106	50,894
Public Safety	779,576	799,576	727,893	71,683
Judicial	49,906	59,406	57,577	1,829
Public Works	408,110	488,110	412,382	75,728
Health and Sanitation	67,422	74,422	82,841	(8,419)
Culture and Recreation	108,248	118,248	88,700	29,548
Community Support	46,388	46,388	46,884	(496)
Contingency	66,900	66,900	-	66,900
	<u>2,297,550</u>	<u>2,374,050</u>	<u>2,086,383</u>	<u>287,667</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(677,746)</u>	<u>(441,246)</u>	<u>144,387</u>	<u>585,633</u>
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-	121,282	121,282	-
Transfers out	(253,682)	(858,682)	(473,682)	385,000
	<u>(253,682)</u>	<u>(737,400)</u>	<u>(352,400)</u>	<u>385,000</u>
Total Other Financing Sources (Uses)				
	<u>(253,682)</u>	<u>(737,400)</u>	<u>(352,400)</u>	<u>385,000</u>
Net Change in Fund Balance				
	(931,428)	(1,178,646)	(208,013)	970,633
FUND BALANCE, July 1				
	<u>2,038,220</u>	<u>2,542,267</u>	<u>2,542,267</u>	<u>-</u>
FUND BALANCE, June 30				
	<u>\$ 1,106,792</u>	<u>\$ 1,363,621</u>	<u>\$ 2,334,254</u>	<u>\$ 970,633</u>

See accompanying notes.

CITY OF CARLIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPEN DOOR SENIOR CITIZENS CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGET AMOUNTS		ACTUAL	FINAL BUDGET VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 51,104	\$ 51,104	\$ 129,845	\$ 78,741
Charges for Services	17,665	17,665	23,263	5,598
Miscellaneous	89,117	89,117	-	(89,117)
Total Revenues	157,886	157,886	153,108	(4,778)
EXPENDITURES				
Current:				
Culture and Recreation	219,898	219,898	199,353	20,545
Excess (Deficiency) of Revenues Over Expenditures	(62,012)	(62,012)	(46,245)	15,767
OTHER FINANCING SOURCES (USES)				
Transfers in	140,000	140,000	140,000	-
Net Change in Fund Balance	77,988	77,988	93,755	15,767
FUND BALANCE (DEFICIT), July 1	(77,213)	(77,213)	(97,019)	(19,806)
FUND BALANCE (DEFICIT), June 30	\$ 775	\$ 775	\$ (3,264)	\$ (4,039)

CITY OF CARLIN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND UNEMPLOYMENT LIABILITY INSURANCE FUND
	UTILITY FUND	
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 977,647	\$ 2,379
Receivables	80,020	-
	<u>1,057,667</u>	<u>2,379</u>
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	2,937,398	-
Capital assets, not being depreciated	78,055	-
	<u>3,015,453</u>	<u>-</u>
Total Assets	<u>4,073,120</u>	<u>2,379</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	49,943	-
Accrued expenses	7,665	-
Compensated absences	12,900	-
Due to other governments	117	-
Customer meter deposits	15,781	-
Note payable, current portion	13,049	-
	<u>99,455</u>	<u>-</u>
NONCURRENT LIABILITIES		
Compensated absences	6,996	-
Note payable, net of current portion	130,348	-
	<u>137,344</u>	<u>-</u>
Total Liabilities	<u>236,799</u>	<u>-</u>
NET ASSETS		
Invested in capital assets, net of related debt	2,872,056	-
Restricted for debt service	14,280	-
Unrestricted	949,985	2,379
Total Net Assets	<u>\$ 3,836,321</u>	<u>\$ 2,379</u>

See accompanying notes.

CITY OF CARLIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES <u>ENTERPRISE FUND</u>	GOVERNMENTAL ACTIVITIES <u>INTERNAL SERVICE FUND</u> UNEMPLOYMENT LIABILITY INSURANCE FUND
	<u>UTILITY FUND</u>	
OPERATING REVENUES		
Charges for sales and services:		
Water	\$ 347,527	\$ -
Garbage	200,479	-
Sewer	281,888	-
Street lights	23,602	-
	<u>853,496</u>	<u>-</u>
OPERATING EXPENSES		
Salaries and wages	101,602	-
Employee benefits	24,328	1,567
Services and supplies	171,198	-
General services and supplies	169,716	-
Depreciation	127,318	-
	<u>594,162</u>	<u>1,567</u>
Total Operating Expenses	<u>594,162</u>	<u>1,567</u>
Operating Income (Loss)	<u>259,334</u>	<u>(1,567)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest and penalties earned	26,288	-
Miscellaneous revenues	63,599	-
Interest expense	(5,808)	-
	<u>84,079</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>84,079</u>	<u>-</u>
Net Income (Loss) before Transfers	343,413	(1,567)
TRANSFERS IN (OUT)		
General Fund	200,000	8,000
	<u>543,413</u>	<u>6,433</u>
Change in Net Assets	<u>543,413</u>	<u>6,433</u>
NET ASSETS, July 1	<u>3,292,908</u>	<u>(4,054)</u>
NET ASSETS, June 30	<u>\$ 3,836,321</u>	<u>\$ 2,379</u>

CITY OF CARLIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES <u>ENTERPRISE FUND</u>	GOVERNMENTAL ACTIVITIES <u>INTERNAL SERVICE FUND UNEMPLOYMENT LIABILITY INSURANCE FUND</u>
	<u>UTILITY FUND</u>	
CASH FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 831,944	\$ -
Cash payments to employees for services and benefits	(117,601)	-
Cash payments to suppliers for goods and services	<u>(321,547)</u>	<u>(5,621)</u>
Net Cash Provided (Used) by Operating Activities	<u>392,796</u>	<u>(5,621)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer in from General Fund	<u>200,000</u>	<u>8,000</u>
Net Cash Provided (Used) by Noncapital and Financing Activities	<u>200,000</u>	<u>8,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(502,885)	-
Proceeds from other governmental units	63,599	-
Loan payments	(12,666)	-
Interest expense	<u>(5,808)</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(457,760)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>26,288</u>	<u>-</u>
Net Increase (Decrease) in Cash	161,324	2,379
CASH AND CASH EQUIVALENTS, July 1	<u>816,323</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, June 30	<u>\$ 977,647</u>	<u>\$ 2,379</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>259,334</u>	\$ <u>(1,567)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	127,318	-
Change in assets and liabilities:		
(Increase) decrease in		
Accounts receivable	(19,703)	-
Increase (decrease) in		
Accounts payable	23,918	-
Accrued expenses	3,778	-
Due to other funds	-	(4,054)
Meter deposits	<u>(1,849)</u>	<u>-</u>
Total Adjustments	<u>133,462</u>	<u>(4,054)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 392,796</u>	<u>\$ (5,621)</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**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. In the government-wide Statement of Net Assets and Statement of Activities Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued before November 30, 1989, have been applied to the extent that those pronouncements do not conflict with or contradict GASB pronouncements. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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 assets 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 assets 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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to patrons who use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and revenues not properly included among program revenues are reported instead as *general revenues*. Those programs or functions with a net cost

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**1. Summary of
Significant
Accounting
Policies
(Continued)**

not supported by program revenues are generally dependent on general-purpose revenues, such as taxes, 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 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 deferred if funds have been received prior to meeting such requirements.

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. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting agents or governments. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues available if they are collected within 60 days after the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The major revenue sources of the City include consolidated tax revenues, ad valorem (property) taxes, governmental services tax, interest income and various state and federal grants. Ad valorem taxes have been deferred in the individual 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

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**1. Summary of
Significant
Accounting
Policies
(Continued)**

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.
- **Open Door Senior Citizens Center Fund** accounts for monies received from various sources to provide meeting space, social opportunities, meals and limited transportation to senior citizens.

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.

Enterprise funds are used to report activities for which a fee is charged to external users for goods or services. Internal service funds are used to report such activity when the primary users are within the governmental entity. The residual balances of the internal service fund (after consolidation) is normally included in the governmental activities column of the government-wide financial statements rather than in the business-type activities column since the major purpose for the fund is to support the activities of the governmental funds.

Internal service funds are used when a fund primarily provides benefits to other funds, departments, or agencies of the primary government.

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.

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital assets.

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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**1. Summary of
Significant
Accounting
Policies
(Continued)**

Budgets and Budgetary Accounting

The City of Carlin 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.

- a. On or before April 15, the Carlin 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.
- b. Public budget hearings on the tentative budget are held on the third Tuesday in May prior to the adoption of the budget to obtain taxpayer comments.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various functions of the individual 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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**1. Summary of
Significant
Accounting
Policies
(Continued)**

Property Taxes

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

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

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

Cash 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.

Cash balances from most funds are combined, held and invested by City staff. Short-term investments are stated at cost, which is or approximates fair market value. Interest earned on the cash balances is generally recognized in the fund holding the 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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**1. Summary of
Significant
Accounting
Policies
(Continued)**

- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain banker's acceptances not to exceed 180 days maturities or 20% of the money available for investment.
- Obligations of state and local governments rated A or higher and exempt from gross income for federal income tax purposes.
- Certain corporate or depository institution commercial paper purchased from a registered broker-dealer rated A-1, P-1, or better with maturity of no more than 270 days.

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

Accounts Receivable

Accounts receivable as stated in the balance sheet are reported net of allowance of uncollectible accounts as follows: amount billings \$34,813, utility billings \$2,248.

Inventories

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

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are recorded in the government-wide 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 estimated fair market value determined at the date of donation. Interest, if applicable, is capitalized on assets acquired with tax-exempt debt for business-type activities. The amount of interest to be capitalized is determined by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. 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

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**1. Summary of
Significant
Accounting
Policies
(Continued)**

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 Assets – Proprietary Funds.

Compensated Absences

Employees may accumulate unused vacation time within certain limits. Unused vacation time is paid to the employee after his/her anniversary date. After five years of employment, employees will be paid for sick leave up to 480 hours at one-fourth of the regular rate of pay at separation from service. If employment termination is due to death, any unused sick leave will be paid at the regular rate of pay. Accumulated costs for unused vacation pay and sick leave are recognized currently for those retiring prior to year end. Reimbursement 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 been typically paid from the General Fund.

Other Post-Employment Benefits

In addition to pension benefits (Public Employees Retirement System) described in Note 5, 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, 2009, three retirees are utilizing the benefit. The City's cost associated with the above benefit for the year ending June 30, 2009 was \$815.

Pursuant to NRS 287.023, employees who retired prior to September 1, 2008 were eligible for post-employment medical benefits under the State Public Employees Benefits Program. The percent of coverage by the City for the retired employees is based upon years of service and age upon retirement. The amount contributed per retiree ranged from \$4 to \$436 per month. Benefits paid are funded by operating resources as incurred and no provision has been made to permanently fund future liabilities. For the year ended June 30, 2009, the City paid \$16,307 in health insurance premiums on behalf of ten retirees.

In-kind Revenues and Expenses

In-kind revenue and expenses are recorded at fair market value of the property contributed or services rendered. The fair market value has been determined by the organization or company providing the property or service according to the normal charges for such property or service. The volunteer services are valued at the same rate as paid employees for a similar service.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by an outside party for a specific purpose. The designated fund balance represents that portion of the ending fund balance that has been obligated in the subsequent year's budget.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. Summary of Significant Accounting Policies (Continued)

Comparative Data

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. This comparability is not considered full disclosure of transactions for the prior year. Such information can only be obtained by referring to the audited financial statements for that year.

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 \$13,000,000 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). 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Compliance with Nevada Statutes and Administrative Code

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

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

<u>Fund</u>	<u>Function</u>
General Fund	Health & Sanitation
General Fund	Community Support
Administrative Assessment	Public Safety

3. Cash and Investments

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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

3. Cash and Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from the increasing interest rates beyond those specified in the Statute.

Credit Risk - Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligation and is a function of the credit quality ratings of investments. The City does not have a formal investment policy that specifies minimum acceptable credit ratings further than those listed in state statutes.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) and collateralized by the Office of the State Treasurer/Nevada Collateral Pool. At year-end, the City's carrying amount of deposits was \$3,808,397 and the bank balance was \$3,927,465. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records.

Cash and investments held by the City as of June 30, 2009 is allocated to the various funds as follows:

Cash Balances Held By:

Major governmental funds	\$ 2,145,522
Nonmajor governmental funds	682,849
Business-type activities	977,647
Internal service fund	<u>2,379</u>
 Total Cash and Investments	 <u><u>\$ 3,808,397</u></u>

As of June 30, 2009 the City had no investments.

4. Capital Assets

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities				
Capital assets, being depreciated:				
Buildings	\$ 1,749,837	\$ 23,860	\$ -	\$ 1,773,697
Office equipment	123,824	2,000	(13,257)	112,567
Other equipment	1,147,285	116,935	(24,610)	1,239,610
Vehicles	1,606,032	227,289	(72,613)	1,760,708
Infrastructure	<u>3,576,563</u>	<u>27,554</u>	<u>-</u>	<u>3,604,117</u>
	<u>8,203,541</u>	<u>397, 638</u>	<u>(110,4 80)</u>	<u>8,49 0,699</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4. Capital Assets (Continued)	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Less: Accumulated Depreciation for:				
Buildings	(473,407)	(35,833)	-	(509,240)
Office equipment	(94,871)	(9,004)	12,121	(91,754)
Other equipment	(795,362)	(56,692)	15,982	(836,072)
Vehicles	(1,154,161)	(94,132)	70,672	(1,177,621)
Infrastructure	(2,710,876)	(67,569)	-	(2,778,445)
	<u>(5,228,677)</u>	<u>(263,230)</u>	<u>98,775</u>	<u>(5,393,132)</u>
Total capital assets, being depreciated, net	<u>2,974,864</u>	<u>134,408</u>	<u>(11,705)</u>	<u>3,097,567</u>
Capital assets, not being depreciated:				
Land	<u>776,467</u>	<u>-</u>	<u>(4,596)</u>	<u>771,871</u>
Governmental activities capital assets, net	<u>\$ 3,751,331</u>	<u>\$ 134, 408</u>	<u>\$ (16,30 1)</u>	<u>\$ 3,86 9,438</u>
Business-type Activities				
Capital assets, being depreciated:				
Buildings	\$ 27,847	\$ 10,675	\$ -	\$ 38,522
Office equipment	16,444	-	-	16,444
Other equipment	304,533	-	(10,610)	293,923
Vehicles	470,225	-	(41,853)	428,372
Infrastructure	<u>5,308,430</u>	<u>492,210</u>	<u>(11,529)</u>	<u>5,789,111</u>
	<u>6,12 7,479</u>	<u>502, 885</u>	<u>(63,992)</u>	<u>6,56 6,372</u>
Less: Accumulated Depreciation for:				
Buildings	(21,231)	(1,393)	-	(22,624)
Office equipment	(16,444)	-	-	(16,444)
Other equipment	(294,449)	(4,894)	10,610	(288,733)
Vehicles	(451,722)	(10,747)	41,853	(420,616)
Infrastructure	<u>(2,781,802)</u>	<u>(110,284)</u>	<u>11,529</u>	<u>(2,880,557)</u>
(3,565	<u>,648)</u>	<u>(127,318)</u>	<u>63,992</u>	<u>(3,628,974)</u>
Total capital assets, being depreciated, net	<u>2,561,831</u>	<u>375,567</u>	<u>-</u>	<u>2,937,398</u>
Capital assets, not being depreciated:				
Land	<u>78,055</u>	<u>-</u>	<u>-</u>	<u>78,055</u>
Business-type activities capital assets, net	<u>\$ 2,639,886</u>	<u>\$ 375, 567</u>	<u>\$ -</u>	<u>\$ 3,01 5,453</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**4. Capital Assets
(Continued)**

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

Governmental activities:	
General government:	\$ 15,005
Public safety	99,510
Public works	104,100
Health and sanitation	127
Culture and recreation	44,488
	\$ 263, 230
Total depreciation expense – governmental activities	
Business-type activities:	
Water	\$ 72,796
Sewer	54,522
	\$ 127,318
Total depreciation expense – business-type activities	

**5. Defined Benefit
Pension Plan**

Plan Description – The City of Carlin contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Funding Policy – Benefits for plan members are funded under one of two methods. Under the employer pay contribution plan, the City is required to contribute all amounts due under the plan. The rate for those contributions was 20.50% for regular members and 33.50% for police and fire employee members on all covered pay roll. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while the city is required to match that contribution. The rate for regular employees under this plan was 10.50%. The contribution requirements of plan members and the City are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation. The City's contribution to PERS for the years ended June 30, 2009, 2008, and 2007, were \$188,157, \$186,367 and \$157,378, respectively, equal to the required contributions for the each year. The contributions rate for the years ended June 2008 and 2007 were 20.50% , 20.50% and 19.75% , respectively, for regular employees, 33.50% 33.50% and 32.00%, respectively , for police and fire employees under the employer paid plan, and 10.50% for regular employees under the employer/employee paid plan for the specified years.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. Cooperative Agreement

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

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

7. Long-Term Debt

Long-term debt as of June 30, 2009, consisted of the following:

Governmental Activities:	Amount
Note payable Nevada Bank and Trust, \$25,157 semi-annual including interest at 4.44% compounded quarterly. The note is for short-term financing of police vehicles, backhoe and ambulance.	\$ 242,400
Note payable United States Department of Agriculture, Rural Development, \$12,100 annually including interest at 4.38%. The note is for construction of senior citizens facility.	181,719
	424,119
Enterprise Fund:	
Note payable United States Department of Agriculture, Rural Development, \$20,398 annually including interest at 5.0%. The note provides matching funds for construction of the water line extension (see Note 6).	143,397
Total Notes Payable	\$ 567,516

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**7. Long-Term Debt
(Continued)**

The governmental activities notes will be repaid by the Debt Service Fund. The maturity of the notes payable for the years after June 30, 2009, based upon present arrangements, is as follows:

Year Ended June 30,	Governmental Activities			
	Nevada Bank & Trust Police Vehicles, Backhoe & Ambulance		U.S. Department of Agriculture, Senior Citizens Facility	
	Principal	Interest	Principal	Interest
2010	\$ 40,010	\$ 10,305	\$ 3,981	\$ 8,119
2011	41,742	8,570	\$ 4,159	\$ 7,941
2012	43,581	6,733	4,344	7,756
2013	45,523	4,791	4,538	7,562
2014	47,579	2,736	4,741	7,359
2015	23,965	558	4,953	7,147
2016	-	-	5,174	6,926
2017	-	-	5,405	6,695
2018	-	-	5,646	6,454
2019	-	-	5,898	6,202
2020-2024	-	-	33,681	26,819
2025-2029	-	-	41,900	18,600
2030-2034	-	-	52,125	8,375
2035-2039	-	-	5,174	238
Total	\$ 242,400	\$ 33,693	\$ 181,719	\$ 126,193

Changes in Long-Term Liabilities:

	Balance July 1	Additions
Governmental Activities:		
Compensated absences	\$ 54,230	\$ 43,088
Notes payable	472,575	-
Total \$	526,805	\$ 43,088
Business-Type Activities:		
Compensated absences	\$ 15,345	\$ 17,556
Notes payable	156,063	-
Total \$	171,408	\$ 17,556

Nevada State Statutes limit the aggregate principal amount of the City's bonded debt to 20% of the City's total reported assessed valuation. Based upon the assessed valuation for 2008-2009 of \$24,048,929 the City's debt limit would be \$ 4,809,786. As of June 30, 2009, the City has \$567,907 total debt outstanding, thus leaving debt capacity of \$4,241,879.

Business-Type Activities

U.S. Department of Agriculture, Water Line Extension		Total Notes Payable	
Principal	Interest	Principal	Interest
\$ 13,049	\$ 7,349	\$ 57,040	\$ 25,773
13,716	6,682	59,620	23,193
14,418	5,980	62,343	20,469
15,156	5,242	65,217	17,595
15,931	4,232	68,251	14,327
16,749	3,652	45,664	11,357
17,603	2,795	22,777	9,721
18,503	1,895	23,908	8,590
18,272	948	23,918	7,402
-	-	5,898	6,202
-	-	33,681	26,819
-	-	41,900	18,600
-	-	52,125	8,375
-	-	5,174	238
<u>\$ 143,397</u>	<u>\$ 38,775</u>	<u>\$ 567,516</u>	<u>\$ 198,661</u>

Reductions	Balance June 30	Amount Due Within One Year
\$ 34,483	\$ 62,835	\$ 34,500
48,456	424,119	43,991
<u>\$ 82,939</u>	<u>\$ 486,954</u>	<u>\$ 78,491</u>
\$ 13,005	\$ 19,896	\$ 12,900
12,666	143,397	13,049
<u>\$ 25,671</u>	<u>\$ 163,293</u>	<u>\$ 25,949</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

8. Fund Equity

Reservations of fund balances of governmental funds are created to either satisfy legal covenants that require a portion of the fund balance be segregated or to identify the portion of the fund balance that is not available for appropriation for future expenditures. Specific reservations of the fund balance accounts are summarized below:

Reserved/Restricted for Debt Service: In accordance with agreements from the USDA Rural Development for the revenue bond water line extension and the loan for the Carlin Senior Center, the City is required to set-aside one-tenth of the annual payment amount for each loan until one full payment has been set-aside. The restricted debt service requirements for the year ended June 30, 2009 for the water line extension and Carlin Senior Center are currently \$14,280 and \$6,050, respectively.

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

Reserved/Reserved for Future Community Development: In accordance with a revised ordinance enacted by the City of Carlin on December 11, 2008, this represents the amount the city council has specifically restricted (two percent of room tax collected starting December 11, 2008, and one percent prior to December 11, 2008) for future projects that will enhance the community.

Unreserved: This represents that portion of fund equity that is not segregated for a specific future use and is available for the following year's operations. Unreserved fund equity is comprised of the following two categories:

Designated for future year operations – represents the budgeted opening fund balance for the forthcoming year.

Undesignated – represents the remainder of fund equity not specifically reserved or designated for future years' operations.

The fund balance available to begin the 2009-2010 fiscal year is less than the amount budgeted to open the fiscal year as follows:

	Budget	Actual	Difference
Open Door Senior Citizens Center Fund	(\$ 5,517)	(\$ 3,264)	\$ 2,253
Administrative Assessment Fund	13,761	(11,309)	25,070

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**8. Fund Equity
(Continued)**

The following funds reported deficit fund balances at June 30, 2009:

Fund	Deficit Balance
Open Door Senior Citizens Center Fund	\$ 3,264
Administrative Assessment Fund	11,309

Restricted for Water Line Extension Repayment: These restricted net assets are used to account for connection fees to the University of Nevada-Reno Fire Science Academy extension set aside for repayment of US DA loans utilized in connection with building the water line extension.

Reservations of net assets of Enterprise Funds are created by increases in assets to be held for capital improvements. Some increases result from specific user charges imposed by the City. Since the City has the ability to remove this reserve at a future date, they do not meet the criteria for restricted net assets and are not reported on the face of the financial statements. Specific reservations of retained earnings are summarized below:

Reserve for Water System, Water Capital Improvement and Sewer Capital Improvement: These reserves are used to account for user charges set aside for major capital improvements such as water wells and sewer improvements.

	Balance July 1, 2008	Net Change	Balance June 30, 2009
Restricted for Water line extension repayment	\$ 12,240	\$ 2,040	\$ 14,280
Reserve for:			
Water system	284, 142	1,162	285, 304
Water capital improvement	14,311	425	14,736
Sewer capital improvement	197,951	-	197,951

9. Interfund Items

Individual fund interfund receivable and payable (Due to/Due from other funds) balances at June 30, 2009 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Open Door Senior Citizens Center Fund	\$ 11,439
	Nonmajor Funds:	
	Administrative Assessment Fund	11,112
Total		\$ 22,551

Material interfund balance of \$22,551 from the General Fund is to cover cash deficits in the various funds.

Interfund transfers are shown as other financing sources or uses in all governmental funds. Transfers between funds during the year ended June 30, 2009 are as follows:

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**9. Interfund Items
(Continued)**

	Transfer Out:		
	General Fund	Nonmajor Governmental Funds	Total
Transfer In:			
General Fund	\$ -	\$ (473,682)	\$ 0
Open Door Senior Citizens Center Fund	140,000	-	140,000
Nonmajor Funds:			
Grants Fund	12,682	8,750	21,432
Parks and Recreation Fund #2	5,000	-	5,000
Loss Control Excellence Fund	-	(3,750)	3,750
Equestrian Center Fund	5,000	-	5,000
Debt Service Fund	88,000	-	88,000
Capital Projects Fund	15,000	-	15,000
Parks and Recreation Fund	-	(5,000)	5,000
Enterprise Fund	200,000	-	200,000
Internal Service Fund	8,000	-	8,000
Total	\$ 473,682	\$ (473,682)	\$ -

The General Fund subsidized the Open Door Senior Citizens Center, certain other non-major funds and the Internal Service Fund whose funding sources were not large enough to support the entire cost of their programs. In addition the General Fund assisted with the installation of the sewer and water lines in the Enterprise Fund.

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

The City of Carlin maintains an Enterprise Fund that provides water, sewer, streetlight and garbage services. Selected additional revenue-supported debt information is provided for those enterprise activities with outstanding debt obligations. Information for the year ended June 30, 2009 is provided for the water service as follows:

	Water Operations
Condensed Statement of Net Assets:	
Current assets	\$ 731,252
Capital assets, net of accumulated depreciation	1,466,082
Total assets	2,197,334
Current liabilities	67,641
Noncurrent liabilities	130,348
Total liabilities	197,989
Net assets:	
Invested in capital assets, net of related debt	1,322,685
Restricted for debt services	14,280
Unrestricted	662,380
Total Net assets	\$ 1,999,345

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

10. Enterprise Fund Segment Information (Continued)	Operating revenues:	
	Charges for services	<u>\$ 347,527</u>
	Operating expenses:	
	Depreciation	72,796
	Other operating expenses	<u>130,902</u>
	Total operating expenses	<u>1,999,345</u>
	Operating income	<u>(1,999,345)</u>
	Nonoperating revenues:	
	Interest income	26,288
	Interest expense	<u>(5,808)</u>
	Total nonoperating revenue	<u>20,480</u>
	Change in net assets	164,309
	Beginning net assets	<u>1,835,036</u>
	Ending net assets	<u><u>\$ 1,999,345</u></u>
	Net cash provided by:	
	Operating activities:	\$ 186,206
	Capital and related financing activities	(47,004)
	Investing activities	<u>26,288</u>
	Net Increase in Cash	\$ 165,490
	Beginning Cash	<u>529,152</u>
	Ending Cash	<u><u>\$ 694,642</u></u>

11. Note Receivable The City sold two parcels of land during fiscal year 2007 on an installment sale basis:

Diamond K Properties, LLC purchased vacant land for \$40,000 and has paid \$29,559 to date leaving a balance of \$10,442 to be paid in the subsequent year.

NV Developers, LLC purchased vacant land for \$1,370,000 and has paid \$500,000 (received July 2, 2007) to date. The balance of \$870,000 is to be paid \$460,000 plus interest on or before June 29, 2008 and \$410,000 plus interest due on or before October 29, 2009. Interest is to be accrued at 7.5%. A dispute arose concerning who is to pay for specific infrastructure items. On October 22, 2008, the City council approved new terms specifying that the above remaining balance would be written off contingent on NV Developers completing the required infrastructure projects. As of June 30, 2009, the City started the foreclosure process due to nonpayment from NV Developers. In the current year an allowance has been recorded in the amount of \$796,294.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**12. Subsequent
Events**

On October 13, 2009, the City foreclosed on NV Developers, LLC in regards to the vacant land purchase by NV Developers, LLC in July 2007. As of June 30, 2009, NV Developers, LLC had a remaining balance due of \$870,000.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 1 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2008
	ORIGINAL	FINAL		VARIANCE	
REVENUES					
Taxes:					
Ad valorem taxes	\$ 272,300	\$ 302,300	\$ 293,507	\$ (8,793)	\$ 279,231
Licenses, Permits and Fees:					
Franchise fees	15,000	21,000	21,659	659	22,565
Business licenses	28,000	28,000	14,821	(13,179)	13,984
Liquor licenses	2,000	2,000	3,104	1,104	2,814
Local gaming licenses	2,500	2,500	9,200	6,700	7,895
Animal licenses	2,000	2,000	2,618	618	3,407
Building permits	20,000	26,000	60,207	34,207	14,045
Other permits and fees	1,000	1,000	5,880	4,880	4,265
	<u>70,500</u>	<u>82,500</u>	<u>117,489</u>	<u>34,989</u>	<u>68,975</u>
Intergovernmental:					
Consolidated revenues	1,031,504	1,171,504	1,393,636	222,132	1,412,009
Motor vehicle fuel tax	42,000	42,000	49,284	7,284	50,610
Share of county gaming license	14,000	11,000	11,723	723	10,688
Regional street and highway tax	-	125,000	125,000	-	-
	<u>1,087,504</u>	<u>1,349,504</u>	<u>1,579,643</u>	<u>230,139</u>	<u>1,473,307</u>
Charges for Services:					
Ambulance charges	55,000	61,000	60,890	(110)	57,649
Ambulance supplies	6,000	6,000	9,217	3,217	5,946
Other	2,000	26,000	-	(26,000)	-
	<u>63,000</u>	<u>93,000</u>	<u>70,107</u>	<u>(22,893)</u>	<u>63,595</u>
Fines and Forfeits:					
Court fines and fees	24,000	15,000	13,568	(1,432)	17,000
Animal fines and fees	3,000	3,000	2,292	(708)	2,658
Other	500	500	59,477	58,977	5,706
	<u>27,500</u>	<u>18,500</u>	<u>75,337</u>	<u>56,837</u>	<u>25,364</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 2 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2008
	ORIGINAL	FINAL		VARIANCE	
Miscellaneous:					
Interest income	45,000	45,000	70,532	25,532	90,974
Other income	46,000	34,000	13,271	(20,729)	70,683
Sales and rentals	500	500	572	72	213
Leases and contracts	7,500	7,500	10,312	2,812	8,385
	<u>99,000</u>	<u>87,000</u>	<u>94,687</u>	<u>7,687</u>	<u>170,255</u>
Total Revenues	<u>1,619,804</u>	<u>1,932,804</u>	<u>2,230,770</u>	<u>297,966</u>	<u>2,080,727</u>
EXPENDITURES					
Current:					
General Government:					
Finance Administration					
Salaries and wages	104,700	86,000	81,893	4,107	69,211
Employee benefits	32,600	32,600	18,689	13,911	16,990
Services and supplies	24,800	17,300	12,812	4,488	11,865
Capital outlay	12,000	7,500	-	7,500	15,151
	<u>174,100</u>	<u>143,400</u>	<u>113,394</u>	<u>30,006</u>	<u>113,217</u>
Legislative					
Salaries and wages	9,300	9,300	10,120	(820)	9,915
Employee benefits	2,000	2,000	6,066	(4,066)	1,493
Services and supplies	5,050	5,050	4,375	675	6,967
	<u>16,350</u>	<u>16,350</u>	<u>20,561</u>	<u>(4,211)</u>	<u>18,375</u>
Other					
Services and supplies	<u>482,650</u>	<u>470,350</u>	<u>449,129</u>	<u>21,221</u>	<u>426,590</u>
City Manager					
Salaries and wages	70,000	63,000	61,448	1,552	109,849
Employee benefits	22,400	22,400	20,335	2,065	28,372
Services and supplies	5,500	5,500	5,239	261	7,204
	<u>97,900</u>	<u>90,900</u>	<u>87,022</u>	<u>3,878</u>	<u>145,425</u>
Total General Government	<u>771,000</u>	<u>721,000</u>	<u>670,106</u>	<u>50,894</u>	<u>703,607</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 3 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2008
	ORIGINAL	FINAL		VARIANCE	
Public Safety:					
Police					
Salaries and wages	311,072	311,072	263,231	47,841	264,546
Employee benefits	120,200	120,200	123,579	(3,379)	112,945
Services and supplies	42,700	42,700	31,854	10,846	49,878
Capital outlay	1,700	1,700	-	1,700	56,337
	<u>475,672</u>	<u>475,672</u>	<u>418,664</u>	<u>57,008</u>	<u>483,706</u>
Fire and Ambulance					
Salaries 36,050		36,050	31,518	4,532	26,135
Employee benefits	17,354	17,354	15,341	2,013	13,095
Services and supplies	229,700	239,700	253,260	(13,560)	38,060
Capital outlay	20,800	30,800	9,110	21,690	756
	<u>303,904</u>	<u>323,904</u>	<u>309,229</u>	<u>14,675</u>	<u>78,046</u>
Total Public Safety	<u>779,576</u>	<u>799,576</u>	<u>727,893</u>	<u>71,683</u>	<u>561,752</u>
Judicial:					
Municipal Court					
Salaries and wages	35,656	45,156	38,214	6,942	30,998
Employee benefits	12,300	12,300	18,207	(5,907)	12,872
Services and supplies	1,950	1,950	1,156	794	1,751
Total Judicial	<u>49,906</u>	<u>59,406</u>	<u>57,577</u>	<u>1,829</u>	<u>45,621</u>
Public Works:					
Highways and Streets					
Salaries and wages	146,265	180,000	176,158	3,842	140,568
Employee benefits	50,590	80,365	74,615	5,750	59,162
Services and supplies	211,255	218,913	161,609	57,304	204,360
Capital outlay	-	8,832	-	8,832	-
Total Public Works	<u>408,110</u>	<u>488,110</u>	<u>412,382</u>	<u>75,728</u>	<u>404,090</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 4 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2008
	ORIGINAL	FINAL		VARIANCE	
Health and Sanitation:					
Public Health Administration					
Salaries and wages	-	-	450	(450)	6,203
Services and supplies	7,500	7,500	18,207	(10,707)	2,400
	<u>7,500</u>	<u>7,500</u>	<u>18,657</u>	<u>(11,157)</u>	<u>8,603</u>
Rural Health					
Services and supplies	300	-	-	-	34
Cemetery					
Salaries and wages	41,370	48,370	42,868	5,502	39,751
Employee benefits	14,327	14,627	17,415	(2,788)	16,320
Services and supplies	3,925	3,925	3,901	24	1,903
	<u>59,622</u>	<u>66,922</u>	<u>64,184</u>	<u>2,738</u>	<u>57,974</u>
Total Health and Sanitation	<u>67,422</u>	<u>74,422</u>	<u>82,841</u>	<u>(8,419)</u>	<u>66,611</u>
Culture and Recreation:					
Parks					
Salaries and wages	37,498	47,498	47,747	(249)	46,563
Employee benefits	12,850	12,850	10,025	2,825	9,721
Services and supplies	6,300	1,300	5,549	(4,249)	5,587
Capital outlay	-	5,000	-	5,000	-
	<u>56,648</u>	<u>66,648</u>	<u>63,321</u>	<u>3,327</u>	<u>61,871</u>
Library					
Services and supplies	1,600	1,600	1,026	574	1,694
Capital outlay	50,000	50,000	24,353	25,647	22,950
	<u>51,600</u>	<u>51,600</u>	<u>25,379</u>	<u>26,221</u>	<u>24,644</u>
Total Culture and Recreation	<u>108,248</u>	<u>118,248</u>	<u>88,700</u>	<u>29,548</u>	<u>86,515</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 5 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2008
	ORIGINAL	FINAL		VARIANCE	
Community Support:					
Economic Development					
Salaries and wages	31,388	31,388	31,505	(117)	36,851
Employee benefits	10,800	10,800	14,778	(3,978)	15,474
Services and supplies	4,200	4,200	601	3,599	2,261
Total Community Support	<u>46,388</u>	<u>46,388</u>	<u>46,884</u>	<u>(496)</u>	<u>54,586</u>
Contingency	<u>66,900</u>	<u>66,900</u>	-	66,900	-
Total Expenditures	<u>2,297,550</u>	<u>2,374,050</u>	<u>2,086,383</u>	<u>287,667</u>	<u>1,922,782</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(677,746)</u>	<u>(441,246)</u>	<u>144,387</u>	<u>585,633</u>	<u>157,945</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	-	-	-	-	299,000
Sale of fixed assets	-	121,282	121,282	-	1,465
Transfers out	<u>(253,682)</u>	<u>(858,682)</u>	<u>(473,682)</u>	<u>385,000</u>	<u>(151,993)</u>
Total Other Financing Sources (Uses)	<u>(253,682)</u>	<u>(737,400)</u>	<u>(352,400)</u>	<u>385,000</u>	<u>148,472</u>
Net Change in Fund Balance	(931,428)	(1,178,646)	(208,013)	970,633	306,417
FUND BALANCE, July 1	<u>2,038,220</u>	<u>2,542,267</u>	<u>2,542,267</u>	-	<u>2,235,850</u>
FUND BALANCE, June 30	<u>\$ 1,106,792</u>	<u>\$ 1,363,621</u>	<u>\$ 2,334,254</u>	<u>\$ 970,633</u>	<u>\$ 2,542,267</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPEN DOOR SENIOR CITIZENS CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	BUDGET AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2008
REVENUES					
Intergovernmental:					
Federal grants	\$ 51,104	\$ 51,104	\$ 43,279	\$ (7,825)	\$ 38,514
Cash match, non-match	-	-	80,637	80,637	73,305
USDA cash	-	-	5,929	5,929	6,273
USDA food	-	-	-	-	724
	<u>51,104</u>	<u>51,104</u>	<u>129,845</u>	<u>78,741</u>	<u>118,816</u>
Charges for Services	<u>17,665</u>	<u>17,665</u>	<u>23,263</u>	<u>5,598</u>	<u>17,379</u>
Miscellaneous:					
Other	<u>89,117</u>	<u>89,117</u>	<u>-</u>	<u>(89,117)</u>	<u>-</u>
Total Revenues	<u>157,886</u>	<u>157,886</u>	<u>153,108</u>	<u>(4,778)</u>	<u>136,195</u>
EXPENDITURES					
Current:					
Culture and Recreation					
Salaries and wages	89,411	89,411	85,734	3,677	76,631
Employee benefits	47,587	47,587	43,279	4,308	42,684
Services and supplies	82,900	82,900	70,340	12,560	66,294
Capital outlay	-	-	-	-	1,392
Total Expenditures	<u>219,898</u>	<u>219,898</u>	<u>199,353</u>	<u>20,545</u>	<u>187,001</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(62,012)</u>	<u>(62,012)</u>	<u>(46,245)</u>	<u>15,767</u>	<u>(50,806)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>61,000</u>
Net Change in Fund Balance	<u>77,988</u>	<u>77,988</u>	<u>93,755</u>	<u>15,767</u>	<u>10,194</u>
FUND BALANCE (DEFICIT), July 1	<u>(77,213)</u>	<u>(77,213)</u>	<u>(97,019)</u>	<u>(19,806)</u>	<u>(107,213)</u>
FUND BALANCE (DEFICIT), June 30	<u>\$ 775</u>	<u>\$ 775</u>	<u>\$ (3,264)</u>	<u>\$ (4,039)</u>	<u>\$ (97,019)</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for specified purposes. Special Revenue Funds are comprised of the following:

MUNICIPAL COURT BUILDING – to account for additional assessments authorized by NRS 176.0611 imposed to build or renovate existing court facilities. Any funds not committed for expenditure after five years would revert to the general fund to maintain court facilities. The fee may not be imposed for longer than 25 years.

ADMINISTRATIVE ASSESSMENT – to account for funds mandated by NRS 176.059 to be levied on persons pleading guilty or found guilty of a misdemeanor in accordance with a schedule included in the statute. The funds must be used to improve the operations of the court, such as to acquire appropriate advanced technology or learn to use such technology, training, education of personnel, acquire capital goods, provide management or operational studies or bear the costs of audits.

GRANTS – to account for receipt and disbursement of specific state-funded grants. The grants reported in this fund may vary from year to year depending upon grants applied for and successfully obtained.

PARKS AND RECREATION #2 – to account for expenditures and fundraising activities of City appointed parks and recreation board.

LOSS CONTROL EXCELLENCE – to account for funds received from Nevada insurance pool due to meeting certain safety-related criteria. Funds are to be used to improve risk management/loss control programs.

EQUESTRIAN CENTER – to account for expenditures and fundraising activities of City appointed equestrian center board.

PARKS AND RECREATION – to account for funds derived from room tax and expenditures used for recreation improvements.

DEBT SERVICE

DEBT SERVICE FUND - to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The City has a single Debt Service Fund.

CAPITAL PROJECTS

CAPITAL PROJECTS FUND - to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. The City has a single Capital Projects Fund.

PERMANENT FUND

Permanent Funds are used to account for 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. The City has a single permanent fund.

PERPETUAL CEMETERY CARE – to account for proceeds from the sale of cemetery lots and interest earnings. Earnings may be transferred to the General Fund to maintain the cemetery. Principal of at least \$33,004 must be maintained intact in this fund.

CITY OF CARLIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009
(Page 1 of 2)

	SPECIAL REVENUE FUNDS		
	MUNICIPAL COURT BUILDING FUND	ADMINISTRATIVE ASSESSMENT FUND	GRANTS FUND
ASSETS			
Cash and investments	\$ 24,774	\$ -	\$ 663
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total Assets	<u>\$ 24,774</u>	<u>\$ -</u>	<u>\$ 663</u>
LIABILITIES			
Accounts payable	\$ -	\$ 197	\$ -
Due to other funds	-	11,112	-
Total Liabilities	<u>-</u>	<u>11,309</u>	<u>-</u>
FUND BALANCE (DEFICIT)			
Reserved for:			
Debt service	-	-	-
Perpetual cemetery care	-	-	-
Future Community Development	-	-	-
Unreserved:			
Designated for future year operations	24,606	-	-
Undesignated	168	(11,309)	663
Total Fund Balance (Deficit)	<u>24,774</u>	<u>(11,309)</u>	<u>663</u>
Total Liabilities and Fund Balance	<u>\$ 24,774</u>	<u>\$ -</u>	<u>\$ 663</u>

SPECIAL REVENUE FUNDS					PERMANENT FUND
PARKS AND RECREATION FUND #2	EQUESTRIAN CENTER FUND	PARKS AND RECREATION FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	PERPETUAL CEMETERY CARE FUND
\$ 21,059	\$ 10,871	\$ 385,644	\$ 50,097	\$ 111,125	\$ 78,616
-	-	9,392	-	-	-
-	-	-	-	4,614	-
<u>\$ 21,059</u>	<u>\$ 10,871</u>	<u>\$ 395,036</u>	<u>\$ 50,097</u>	<u>\$ 115,739</u>	<u>\$ 78,616</u>
\$ 474	\$ -	\$ 673	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>474</u>	<u>-</u>	<u>673</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	6,050	-	-
-	-	-	-	-	33,004
-	-	74,504	-	-	-
-	-	-	44,047	104,670	-
<u>20,585</u>	<u>10,871</u>	<u>319,859</u>	<u>-</u>	<u>11,069</u>	<u>45,612</u>
<u>20,585</u>	<u>10,871</u>	<u>394,363</u>	<u>50,097</u>	<u>115,739</u>	<u>78,616</u>
<u>\$ 21,059</u>	<u>\$ 10,871</u>	<u>\$ 395,036</u>	<u>\$ 50,097</u>	<u>\$ 115,739</u>	<u>\$ 78,616</u>

CITY OF CARLIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009
(Page 2 of 2)

	TOTAL 2009
ASSETS	
Cash and investments	\$ 682,849
Accounts receivable	9,392
Due from other governments	4,614
	<hr/>
Total Assets	\$ 696,855
	<hr/> <hr/>
LIABILITIES	
Accounts payable	\$ 1,344
Due to other funds	11,112
	<hr/>
Total Liabilities	12,456
	<hr/> <hr/>
FUND BALANCE (DEFICIT)	
Reserved for:	
Debt service	6,050
Perpetual cemetery care	33,004
Future Community Development	74,504
Unreserved:	
Designated for future year operations	173,323
Undesignated	397,518
	<hr/>
Total Fund Balance (Deficit)	684,399
	<hr/> <hr/>
Total Liabilities and Fund Balance	\$ 696,855
	<hr/> <hr/>

CITY OF CARLIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(Page 1 of 2)

	SPECIAL REVENUE FUNDS		
	MUNICIPAL COURT BUILDING FUND	ADMINISTRATIVE ASSESSMENT FUND	GRANTS FUND
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	27,258
Miscellaneous	1,568	7,216	-
Total Revenues	<u>1,568</u>	<u>7,216</u>	<u>27,258</u>
EXPENDITURES			
Current:			
Public safety	-	11,786	24,834
Culture and recreation	-	-	-
Health and sanitation	-	-	-
Debt service	-	-	-
Total Expenditures	<u>-</u>	<u>11,786</u>	<u>24,834</u>
Excess (Deficiency) of Revenues Over Expenditures	1,568	(4,570)	2,424
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	21,432
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>21,432</u>
Net Change in Fund Balance	1,568	(4,570)	23,856
FUND BALANCES (DEFICIT), July 1	<u>23,206</u>	<u>(6,739)</u>	<u>(23,193)</u>
FUND BALANCES (DEFICIT), June 30	<u>\$ 24,774</u>	<u>\$ (11,309)</u>	<u>\$ 663</u>

SPECIAL REVENUE FUNDS					
PARKS AND RECREATION FUND #2	LOSS CONTROL EXCELLENCE FUND	EQUESTRIAN CENTER FUND	PARKS AND RECREATION FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
\$ -	\$ -	\$ -	\$ 87,542	\$ -	\$ 20,319
-	-	58,721	-	-	-
<u>17,962</u>	<u>-</u>	<u>12,711</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>17,962</u>	<u>-</u>	<u>71,432</u>	<u>87,542</u>	<u>-</u>	<u>20,319</u>
-	-	-	-	-	-
9,995	-	78,251	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,468</u>	<u>-</u>
<u>9,995</u>	<u>-</u>	<u>78,251</u>	<u>-</u>	<u>68,468</u>	<u>-</u>
7,967	-	(6,819)	87,542	(68,468)	20,319
5,000	-	5,000	-	88,000	15,000
<u>-</u>	<u>(3,750)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
<u>5,000</u>	<u>(3,750)</u>	<u>5,000</u>	<u>(5,000)</u>	<u>88,000</u>	<u>15,000</u>
12,967	(3,750)	(1,819)	82,542	19,532	35,319
<u>7,618</u>	<u>3,750</u>	<u>12,690</u>	<u>311,821</u>	<u>30,565</u>	<u>80,420</u>
<u>\$ 20,585</u>	<u>\$ -</u>	<u>\$ 10,871</u>	<u>\$ 394,363</u>	<u>\$ 50,097</u>	<u>\$ 115,739</u>

CITY OF CARLIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009
(Page 2 of 2)

	PERMANENT FUND		PERPETUAL CEMETERY CARE FUND	TOTAL 2009
REVENUES				
Taxes	\$ -			\$ 107,861
Intergovernmental	-			85,979
Miscellaneous	2,553			42,010
	2,553			42,010
Total Revenues	2,553			235,850
EXPENDITURES				
Current:				
Public safety	-			36,620
Culture and recreation	-			88,246
Health and sanitation	1,785			1,785
Debt service	-			68,468
	1,785			195,119
Total Expenditures	1,785			195,119
Excess (Deficiency) of Revenues Over Expenditures	768			40,731
OTHER FINANCING SOURCES (USES)				
Transfers in	-			134,432
Transfers out	-			(8,750)
	-			125,682
Total Other Financing Sources (Uses)	-			125,682
Net Change in Fund Balance	768			166,413
FUND BALANCES (DEFICIT), July 1	77,848			517,986
FUND BALANCES (DEFICIT), June 30	\$ 78,616			\$ 684,399

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	BUDGET	ACTUAL	VARIANCE	2008
REVENUES				
Miscellaneous:				
Building Assessments	\$ 1,400	\$ 1,568	\$ 168	\$ 1,341
EXPENDITURES	-	-	-	-
Net Change in Fund Balance	1,400	1,568	168	1,341
FUND BALANCE, July 1	18,115	23,206	5,091	21,865
FUND BALANCE, June 30	\$ 19,515	\$ 24,774	\$ 5,259	\$ 23,206

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ADMINISTRATIVE ASSESSMENT FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Miscellaneous:				
Administrative assessments	\$ 6,423	\$ 7,216	\$ 793	\$ 6,221
EXPENDITURES				
Current:				
Public Safety:				
Municipal Court	<u>7,700</u>	<u>11,786</u>	<u>(4,086)</u>	<u>14,180</u>
Net Change in Fund Balance	(1,277)	(4,570)	(3,293)	(7,959)
FUND BALANCE, July 1	<u>1,692</u>	<u>(6,739)</u>	<u>(8,431)</u>	<u>1,220</u>
FUND BALANCE, June 30	<u><u>\$ 415</u></u>	<u><u>\$ (11,309)</u></u>	<u><u>\$ (11,724)</u></u>	<u><u>\$ (6,739)</u></u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Intergovernmental:				
Federal Grants	\$ 20,000	\$ 20,000	\$ -	\$ -
State Grants	<u>7,258</u>	<u>7,258</u>	<u>-</u>	<u>3,602</u>
Total Revenues	<u>27,258</u>	<u>27,258</u>	<u>-</u>	<u>3,602</u>
EXPENDITURES				
Current:				
Public Safety:				
Services and supplies	<u>27,258</u>	<u>24,834</u>	<u>2,424</u>	<u>10,363</u>
Excess (Deficiency) of Revenues Over Expenditures	-	2,424	2,424	(6,761)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>21,432</u>	<u>21,432</u>	<u>-</u>	
Net Change in Fund Balance	21,432	23,856	2,424	(6,761)
FUND BALANCE, July 1	<u>(16,432)</u>	<u>(23,193)</u>	<u>(6,761)</u>	<u>(16,432)</u>
FUND BALANCE, June 30	<u>\$ 5,000</u>	<u>\$ 663</u>	<u>\$ (4,337)</u>	<u>\$ (23,193)</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS AND RECREATION FUND #2
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	BUDGET	ACTUAL	VARIANCE	2008
REVENUES				
Miscellaneous:				
Other income	\$ 8,000	\$ 17,962	\$ 9,962	\$ 15,971
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks				
Services and supplies	14,000	9,995	4,005	6,922
Excess (Deficiency) of Revenues Over Expenditures	(6,000)	7,967	13,967	9,049
OTHER FINANCING SOURCES				
Transfers in	7,500	5,000	(2,500)	1,500
Net Change in Fund Balance	1,500	12,967	11,467	10,549
FUND BALANCE (DEFICIT), July 1	(1,448)	7,618	9,066	(2,931)
FUND BALANCE, June 30	\$ 52	\$ 20,585	\$ 20,533	\$ 7,618

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOSS CONTROL EXCELLENCE FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Miscellaneous:				
Other income	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,750)	(3,750)	-	-
Net Change in Fund Balance	(3,750)	(3,750)	-	-
FUND BALANCE, July 1	3,750	3,750	-	3,750
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ 3,750

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EQUESTRIAN CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Intergovernmental:				
State Grants:				
Grant proceeds	\$ 111,000	\$ 58,721	\$ (52,279)	\$ -
Miscellaneous:				
Other income	-	12,711	12,711	37,309
Total Revenues	<u>111,000</u>	<u>71,432</u>	<u>(39,568)</u>	<u>37,309</u>
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks				
Services and supplies	2,000	78,251	(76,251)	14,470
Capital outlay	<u>104,000</u>	<u>-</u>	<u>104,000</u>	<u>-</u>
Total Expenditures	<u>106,000</u>	<u>78,251</u>	<u>27,749</u>	<u>14,470</u>
Excess (Deficiency) of Revenues Over Expenditures	5,000	(6,819)	(11,819)	22,839
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,500</u>	<u>5,000</u>	<u>2,500</u>	<u>-</u>
Net Change in Fund Balance	7,500	(1,819)	(9,319)	22,839
FUND BALANCE (DEFICIT), July 1	<u>(4,149)</u>	<u>12,690</u>	<u>16,839</u>	<u>(10,149)</u>
FUND BALANCE, June 30	<u>\$ 3,351</u>	<u>\$ 10,871</u>	<u>\$ 7,520</u>	<u>\$ 12,690</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Taxes:				
Room tax revenues	\$ 57,000	\$ 87,542	\$ 30,542	\$ 112,118
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks				
Capital outlay	40,000	-	40,000	-
Health and Sanitation:				
Cemetery				
Capital outlay	20,000	-	20,000	-
Total Expenditures	<u>60,000</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,000)	87,542	90,542	112,118
OTHER FINANCING (USES)				
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(8,000)	82,542	90,542	112,118
FUND BALANCE, July 1	<u>327,158</u>	<u>311,821</u>	<u>(15,337)</u>	<u>199,703</u>
FUND BALANCE, June 30	<u>\$ 319,158</u>	<u>\$ 394,363</u>	<u>\$ 75,205</u>	<u>\$ 311,821</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
EXPENDITURES				
Debt service:				
Principal	\$ 48,065	\$ 48,456	\$ (391)	\$ 47,431
Interest	<u>20,403</u>	<u>20,012</u>	<u>391</u>	<u>14,681</u>
Total Expenditures	<u>68,468</u>	<u>68,468</u>	<u>-</u>	<u>62,112</u>
OTHER FINANCING SOURCES				
Transfers in	<u>88,000</u>	<u>88,000</u>	<u>-</u>	<u>87,993</u>
Net Change in Fund Balance	19,532	19,532	-	25,881
FUND BALANCE, July 1	<u>30,565</u>	<u>30,565</u>	<u>-</u>	<u>4,684</u>
FUND BALANCE, June 30	<u><u>\$ 50,097</u></u>	<u><u>\$ 50,097</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 30,565</u></u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 6,500	\$ 20,319	\$ 13,819	\$ 18,811
OTHER FINANCING SOURCES				
Transfers in	-	15,000	15,000	1,500
Net Change in Fund Balance	6,500	35,319	28,819	20,311
FUND BALANCE, July 1	<u>63,424</u>	<u>80,420</u>	<u>16,996</u>	<u>60,109</u>
FUND BALANCE, June 30	<u>\$ 69,924</u>	<u>\$ 115,739</u>	<u>\$ 45,815</u>	<u>\$ 80,420</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERPETUAL CEMETERY CARE FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
REVENUES				
Miscellaneous:				
Contributions from individuals	\$ 1,700	\$ 1,700	\$ -	\$ 1,480
Interest income	<u>2,400</u>	<u>853</u>	<u>(1,547)</u>	<u>2,009</u>
Total Revenues	4,100	2,553	(1,547)	3,489
EXPENDITURES				
Health and Sanitation:				
Capital Outlay	<u>30,000</u>	<u>1,785</u>	<u>28,215</u>	<u>-</u>
Net Change in Fund Balance	(25,900)	768	26,668	3,489
FUND BALANCE, July 1	<u>78,519</u>	<u>77,848</u>	<u>(671)</u>	<u>74,359</u>
FUND BALANCE, June 30	<u>\$ 52,619</u>	<u>\$ 78,616</u>	<u>\$ 25,997</u>	<u>\$ 77,848</u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

UTILITY FUND – to account for providing of water, sewer, streetlight and garbage services to City residents.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government.

UNEMPLOYMENT LIABILITY INSURANCE FUND – to account for financing of unemployment benefits for all City departments.

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 1 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
OPERATING REVENUES				
Water				
Utility fees	\$ 296,740	\$ 347,527	\$ 50,787	\$ 306,702
Garbage				
Utility fees	90,816	200,479	109,663	109,176
Sewer				
Utility fees	250,000	281,888	31,888	259,277
Street lights				
Use fees	15,702	23,602	7,900	18,853
Total Operating Revenues	<u>653,258</u>	<u>853,496</u>	<u>200,238</u>	<u>694,008</u>
OPERATING EXPENSES				
Water				
Salaries and wages	48,194	25,719	22,475	59,414
Employee benefits	16,651	1,258	15,393	11,264
Services and supplies	65,400	42,738	22,662	33,486
	<u>130,245</u>	<u>69,715</u>	<u>60,530</u>	<u>104,164</u>
Garbage				
Services and supplies	75,000	80,742	(5,742)	88,015
Sewer				
Salaries and wages	66,327	75,883	(9,556)	65,941
Employee benefits	22,730	23,070	(340)	21,636
Services and supplies	52,800	47,718	5,082	32,197
	<u>141,857</u>	<u>146,671</u>	<u>(4,814)</u>	<u>119,774</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)
(Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
General				
Services and supplies	300,437	169,716	130,721	272,243
Depreciation	<u>135,000</u>	<u>127,318</u>	<u>7,682</u>	<u>129,569</u>
	<u>435,437</u>	<u>297,034</u>	<u>138,403</u>	<u>401,812</u>
Total Operating Expenses	<u>782,539</u>	<u>594,162</u>	<u>188,377</u>	<u>713,765</u>
Operating Income (Loss)	<u>(129,281)</u>	<u>259,334</u>	<u>388,615</u>	<u>(19,757)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and penalties earned	19,959	26,288	6,329	33,172
Miscellaneous income	-	63,599	63,599	20,632
Interest expense	<u>(7,732)</u>	<u>(5,808)</u>	<u>1,924</u>	<u>(10,327)</u>
Total Nonoperating Revenues (Expenses)	<u>12,227</u>	<u>84,079</u>	<u>71,852</u>	<u>43,477</u>
Net Income (Loss) before Transfers	<u>(117,054)</u>	<u>343,413</u>	<u>460,467</u>	<u>23,720</u>
TRANSFER IN (OUT)				
General Fund	<u>600,000</u>	<u>200,000</u>	<u>(400,000)</u>	<u>-</u>
Change in Net Assets	<u>\$ 482,946</u>	<u>543,413</u>	<u>\$ 60,467</u>	<u>23,720</u>
NET ASSETS, July 1		<u>3,292,908</u>		<u>3,269,188</u>
NET ASSETS, June 30		<u>\$ 3,836,321</u>		<u>\$ 3,292,908</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
UNEMPLOYMENT LIABILITY INSURANCE FUND
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2008</u>
OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES				
General Government:				
Unemployment claims	<u>4,000</u>	<u>1,567</u>	<u>2,433</u>	<u>753</u>
Operating Income (Loss) before Transfers	(4,000)	(1,567)	2,433	(753)
TRANSFERS IN				
General fund	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>-</u>
Change in Net Assets	4,000	6,433	2,433	(753)
NET ASSETS, July 1	<u>-</u>	<u>(4,054)</u>	<u>(4,054)</u>	<u>(3,301)</u>
NET ASSETS, June 30	<u>\$ 4,000</u>	<u>\$ 2,379</u>	<u>\$ (1,621)</u>	<u>\$ (4,054)</u>

COMPLIANCE SECTION



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

**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 Council,
City of Carlin, State of Nevada

We have audited the accompanying financial statements of the City of Carlin, State of Nevada (the City) as of and for the year ended June 30, 2009, and have issued our report thereon dated January 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs (items 09-1 through 09-4) to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies above, we consider item 09-2 to be a material weakness.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the City in a separate letter dated January 8, 2010.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the city council, and management and is not intended to be and should not be used by anyone other than these specified parties.

Kaufman, Armstrong & Co.

Elko, Nevada
January 8, 2010

CITY OF CARLIN
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2009
(Page 1 of 3)

Findings Related to the Financial Statement Audit Report in Accordance with Generally Accepted Governmental Auditing Standards (GAGAS):

Finding 09-1 - Financial Statement Reporting

Condition/Cause: Personnel at the City do not have sufficient expertise in selecting and applying accounting principles to prepare financial statements in accordance with generally accepted accounting principles.

Criteria: Internal controls should be in place that provide reasonable assurance the City can prepare its financial statements in accordance with generally accepted accounting principles.

Effect: The City cannot complete its financial reporting in accordance with generally accepted accounting principles.

Recommendation: Personnel responsible for the accounting and reporting function should obtain the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

Management's Response: While Management understands the importance of correcting this deficiency, the cost of correcting the deficiency by hiring independent or in-house accounting staff would be prohibitive, especially under current budget and revenue constraints. Staff is working to correct this deficiency in-house by seeking training through the accounting software company and through upcoming college courses. Plans have been made for the City Clerk to attend training recommended by the Auditors at Great Basin College in the upcoming year.

Finding 09-2 – Fixed Assets

Condition/Cause: Not all purchased fixed assets were properly capitalized.

Criteria: Internal controls should be in place that provide reasonable assurance the City properly capitalizes all fixed assets over \$1,500.

Effect: Fixed assets could be understated.

Recommendation: The City does not capitalize property and equipment acquisitions during the year; instead, the expenditures are recorded in various expense accounts and later capitalized when the annual financial statements are prepared. In order to identify those purchases that will be capitalized, we recommend all such purchases be coded to a separate expense account. This will later allow management to continue to assess current expenditures along with identifying significant assets that will later be capitalized.

Management's Response: This issue been largely corrected. Early in the fiscal year, shortly after the appointment of the new City Manager, there was some lack of continuity regarding projects in progress or begun during that time period. While project expenses were paid, they were not all paid from the appropriate Capital Outlay accounts. We concur with the Recommendation that all expenses associated with capital projects should be paid from the corresponding Capital Outlay account and have taken measures to implement this action. Projects implemented in the second half of the fiscal year were more coordinated and expenses tended to be paid in the correct capital account.

CITY OF CARLIN
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2009
(Page 2 of 3)

Additionally, an Asset Verification project was undertaken during the year and it was discovered that a number of assets from previous years had not been recorded. While this verification was a corrective action in itself, the addition of these assets in this fiscal year contribute to the finding that assets may not have been recorded and properly capitalized in the past.

Finding 09-3 – Accounts Receivable, Accounts Payable and Accrued Liabilities

Condition/Cause: Detail account balances are not reconciled monthly to supporting documents or subsidiary schedules.

Criteria: Internal controls should be in place that provide reasonable assurance all financial information is correctly inputted into the system and all errors discovered be corrected in a timely manner.

Effect: Account balances were not properly stated. Audit adjustments were recorded as part of the current year audit.

Recommendation: In order to make the financial reports generated by the accounting system as meaningful as possible, the City should reconcile the general ledger accounts for accounts receivable, accounts payable, and accrued liabilities to supporting documentation on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, making it easier to perform future reconciliations.

Management's Response: Management concurs with this finding and associated recommendation. By way of explanation, Staff has been working to correct this issue and has made progress during the year. This finding is also related to Finding 1 in that Administrative Staff are seeking additional training and familiarity with the accounting system and processes. Ledger account balances will be reviewed in detail this year to eliminate this concern.

Finding 09-4 – Information Technology

Condition/Cause: The accounting software program is not protected by individual passwords.

Criteria: Internal controls should be in place that would protect the City's accounting software from being accessed by unauthorized individuals.

Effect: Unauthorized users could make unauthorized entries or adjustments without proper approval.

Recommendation: We recommend that management adopt controls over computer access such as better changing factory default software settings pertaining to the use of passwords.

Management's Response: Management concurs with this finding and recommendation. Password controls have been implemented for access to the accounting software.

CITY OF CARLIN
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2009
(Page 3 of 3)

Summary of Prior Audit Findings:

Finding 08-1 - Financial Statement Reporting

Condition/Cause: Personnel at the City do not have sufficient expertise in selecting and applying accounting principles to prepare financial statements in accordance with generally accepted accounting principles.

Criteria: Internal controls should be in place that provide reasonable assurance the City can prepare its financial statements in accordance with generally accepted accounting principles.

Effect: The City cannot complete its financial reporting in accordance with generally accepted accounting principles.

Recommendation: Personnel responsible for the accounting and reporting function should obtain the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

Management's Response: Management believes the cost of correcting the deficiency would exceed the benefits derived from doing so.

Current Status: The item was again noted during the current audit period, see 09-1.

AUDITOR'S COMMENTS

CITY OF CARLIN
SCHEDULE OF FEES IMPOSED SUBJECT TO THE
PROVISIONS OF NRS 354.5989
LIMITATION OF FEES FOR BUSINESS LICENSES
FOR THE YEAR ENDED JUNE 30, 2009

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2008.	\$ <u>25,276</u>
--	------------------

Adjustment of Base:

Base year	
1. Percentage increase in population of local government	0.6%
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>8.2%</u> <u>8.8%</u>

2,227

Adjusted base at June 30, 2009	27,503
--------------------------------	--------

Actual revenue	<u>14,821</u>
----------------	---------------

Amount under allowable amount	\$ <u><u>12,682</u></u>
-------------------------------	-------------------------

**CITY OF CARLIN
AUDITOR'S COMMENTS
JUNE 30, 2009**

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

In the prior year the City expended amounts in excess of budgeted authority and, as noted in Note 2 of the current year financial statements, similar problems were again noted during the current year.

PRIOR YEAR RECOMMENDATIONS

The status of prior year audit recommendations are included in the schedule of finding and responses. See finding 08-1.

CURRENT YEAR RECOMMENDATIONS

We identified financial weaknesses that have been reported as significant deficiencies. See findings 09-1 through 09-4 reported on the schedule of findings and responses.



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

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

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2009 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2009 (except as previously noted under statute compliance),
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the City of Carlin.

Our review was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Elko, Nevada
January 8, 2010