



**CITY OF CARLIN  
NEVADA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2013**

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**JUNE 30, 2013**  
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## **FINANCIAL SECTION**

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**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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–9, budgetary comparison information on pages 39–43, and Schedules of Funding Progress – Other Postemployment Benefits Plans on page 44 be presented to supplement the basic financial statements. Such

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information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis on pages 4–9 and Schedules of Funding Progress – Other Postemployment Benefits Plans on page 44 in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

#### *Other Information*

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

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

We have previously audited, in accordance with auditing standards generally accepted in the United States, the basic financial statements of the City for the year ended June 30, 2012 (not presented herein), and have issued our report thereon dated November 30, 2012, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The budgetary comparison information of the major funds related to the 2012 financial statements are presented to supplement the basic financial statements as required by the Governmental Accounting Standards Board. The nonmajor individual fund financial statements and budgetary comparisons related to the 2012 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison information of the major funds and the nonmajor individual fund financial statements and budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information of the major funds and the nonmajor individual fund financial statements and budgetary comparisons are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Kaufman, Armstrong & Co.*

Elko, Nevada  
November 27, 2013

**CITY OF CARLIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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 major components of this financial report include:

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

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

**Overview of the Financial Statements**

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

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

**Notes to the Financial Statements**

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

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

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

	Government-wide Financial Statements	Fund Financial Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	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
<b>Required Financial Statements</b>	Statement of Net Position, Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures & Changes in Fund Balances	Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows	Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position



**CITY OF CARLIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

	Government-wide Financial Statements	Fund Financial Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting
<b>Types of Asset/Liability Information</b>	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	Assets and liabilities held in fiduciary capacity
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues and expenses during the year, regardless of when cash is received or paid

**Condensed Statement of Net Position**

The largest component, \$7,500,503, of the City's net position (formerly identified as net assets) reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment and others) less depreciation and any related debt outstanding that was needed to acquire or construct the assets. Capital Assets represent 54% of this City's total Net Position. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these capital assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current & Other Assets	\$ 5,176,014	\$ 4,634,025	\$ 1,815,940	\$ 1,481,132	\$ 6,991,954	\$ 6,115,157
Capital Assets	4,861,117	4,597,057	2,961,970	3,053,050	7,823,087	7,650,107
<b>Total Assets</b>	<b>10,037,131</b>	<b>9,231,082</b>	<b>4,777,910</b>	<b>4,534,182</b>	<b>14,815,041</b>	<b>13,765,264</b>
Other Liabilities	131,583	212,372	50,880	49,987	182,463	262,359
Long-term Liabilities						
Due w/in one-year	113,488	101,136	28,618	28,594	142,106	130,090
Due in more than one-year	335,474	370,476	106,871	120,472	442,345	490,948
<b>Total Liabilities</b>	<b>580,545</b>	<b>683,984</b>	<b>186,369</b>	<b>199,413</b>	<b>766,914</b>	<b>883,397</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	4,625,119	4,310,840	2,875,384	2,971,559	7,500,503	7,282,399
Restricted Cash	274,755	276,059	20,398	20,398	295,153	296,457
Unrestricted Cash	4,556,712	3,993,203	1,695,759	1,342,812	6,252,471	5,336,015
<b>Total Net Position</b>	<b>\$ 9,456,586</b>	<b>\$ 8,547,098</b>	<b>\$ 4,591,541</b>	<b>\$ 4,334,769</b>	<b>\$14,048,127</b>	<b>\$ 12,881,867</b>

**CITY OF CARLIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

**Changes in Net Position**

Table 3 presents the City's Changes in Net Position, as derived from the government-wide Statement of Activities. Over time, increases and decreases measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by \$909,488 and the net position of the business-type activities increased by \$256,772.

	<b>Table 3: Changes in Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Program Revenues</b>						
Charges for Services	\$ 460,170	\$ 362,904	\$ 1,117,331	\$ 976,753	\$ 1,577,501	\$ 1,339,657
Operating Grants	160,838	149,623			160,838	149,623
Capital Grants and Contributions	88,849	222,995			88,849	222,995
<i>Total Program Revenues</i>	<u>709,857</u>	<u>735,522</u>	<u>1,117,331</u>	<u>976,753</u>	<u>1,827,188</u>	<u>1,712,275</u>
<b>General Revenues</b>						
Taxes						
Property	321,943	324,387			321,943	324,387
Room	80,159	107,849			80,159	107,849
Fuel	50,848	50,780			50,848	50,780
Consolidated revenues	1,888,631	1,822,546			1,888,631	1,822,546
Interest/Investments	4,660	8,965	26,571	24,788	31,231	33,753
Gain on sale of assets	331,518	64,280			331,518	64,280
Miscellaneous	66,494	263,944	9,877	13,907	76,371	277,851
<i>Total General Revenues</i>	<u>2,744,253</u>	<u>2,642,751</u>	<u>36,448</u>	<u>38,695</u>	<u>2,780,701</u>	<u>2,681,446</u>
<b>Total Revenues</b>	<u>3,454,110</u>	<u>3,378,273</u>	<u>1,153,779</u>	<u>1,015,448</u>	<u>4,607,889</u>	<u>4,393,721</u>
<b>Program Expenses</b>						
General Government	735,736	588,292			735,736	588,292
Public Safety	941,291	911,724			941,291	911,724
Judicial	53,561	54,652			53,561	54,652
Public Works	202,543	154,019			202,543	154,019
Health and Sanitation	82,796	85,730			82,796	85,730
Culture and Recreation	463,787	419,439			463,787	419,439
Community Support	52,809	53,871			52,809	53,871
Water			439,538	395,143	439,538	395,143
Garbage			111,957	113,901	111,957	113,901
Sewer			317,244	317,038	317,244	317,038
Street Lights			28,268	26,768	28,268	26,768
Interest on long-term debt	12,099	14,250			12,099	14,250
<b>Total Program Expenses</b>	<u>2,544,622</u>	<u>2,281,977</u>	<u>897,007</u>	<u>852,850</u>	<u>3,441,629</u>	<u>3,134,827</u>
Change in Net Position	909,488	1,096,296	256,772	162,598	1,166,260	1,258,894
Beginning Net Position	8,547,098	7,450,802	4,334,769	4,172,171	12,881,867	11,622,973
Ending Net Position	<u>\$ 9,456,586</u>	<u>\$ 8,547,098</u>	<u>\$ 4,591,541</u>	<u>\$ 4,334,769</u>	<u>\$14,048,127</u>	<u>\$12,881,867</u>

**CITY OF CARLIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**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, 2013**

City Programs	Program Expenses	Program Revenues	Net Program (Expenses) Revenues
General Government	\$ 735,736	\$ -	\$ (735,736)
Public Safety	941,291	276,309	(664,982)
Judicial	53,561	-	(53,561)
Public Works	202,543	160,320	(42,223)
Health and Sanitation	82,796	-	(82,796)
Culture and Recreation	463,787	273,228	(190,559)
Community Support	52,809	-	(52,809)
Interest Long-term Debt	12,099	-	(12,099)
<b>Totals</b>	<b>\$ 2,544,622</b>	<b>\$ 709,857</b>	<b>\$ (1,834,765)</b>

**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, 2013**

City Programs	Program Expenses	Program Revenues	Net Program (Expenses) Revenues
Water	\$ 439,538	\$ 527,238	\$ 87,700
Garbage	111,957	221,954	109,997
Sewer	317,244	339,871	22,627
Street Lights	28,268	28,268	-
<b>Totals</b>	<b>\$ 897,007</b>	<b>\$ 1,117,331</b>	<b>\$ 220,324</b>

**Overall Analysis**

Financial highlights for the City during the fiscal year ended June 30, 2013, include the following:

- The City's total Net Position for all activities increased from \$12,881,867 to \$14,048,127, an increase of \$1,166,260 or nine percent (9%).
- This increase is attributable to continued expense control by all departments because of uncertain revenue projections. General Fund expenditures were lower than budgeted amounts by \$321,371 (13.5%). General Fund revenues were also better than projected by \$594,711 (29%) due to a conservative estimate of budget revenues during budgeting and an actual increase in Consolidated and Property Taxes. Additionally, sale of land in the industrial park resulted in unbudgeted revenues of \$306,000.

**CITY OF CARLIN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

- Capital assets added during the year include improvements to City buildings and facilities, the City Park, Equestrian Center and the Phase 3 library construction. Public Safety added an Animal Control Vehicle, Power Gurney, and upgraded radios in compliance with narrow banding requirements from the FCC, as well as architectural design and engineering for the new firehouse. Additionally, the Utility Fund added capital assets in the form of a water line extension on Chestnut Street and a safety cage around the water tank ladder.
- The City's Business-type Activities (Utility Fund) operating revenues exceeded operating expenses by \$225,419. As an Enterprise Fund, the Utility Fund is required to generate operating revenues sufficient to offset operating expenses. The excess revenues year to year are used for maintenance and eventual replacement of older infrastructure.

**Fund Analysis**

**All Governmental Funds**

At the close of the fiscal year ending June 30, 2013, the City's governmental funds reported a combined ending fund balance of \$5,031,285, representing an increase of \$619,858 (14%) from the previous fiscal year. The increase across all governmental funds is the result of the following factors:

- Expense control by all departments
- Increased revenues from Consolidated Taxes
- Decreased revenues from Property Taxes and Lodging Tax
- Sales of land
- Conservative estimates of opening fund balances in the budgeting process to prevent revenue shortfalls

**General Fund**

Fund balance at June 30, 2013 totaled \$3,782,869, which is an increase of \$479,278 (14.5%) from the previous fiscal year. As mentioned above, the increase is due to expense controls and increased revenues from taxes and fees along with conservative budget planning.

**Non-major Governmental Funds**

Fund balance at June 30, 2013 totaled \$1,248,416, which is an increase of \$140,580 (12.7%) from the previous fiscal year. This increase is primarily due to transfers of surplus funds from the General Fund to the Capital Projects fund in the amount of \$360,000. The following table shows the fund balances that are included in the Non-major Governmental Funds, as of June 30, 2013 and the increase/(decrease) from the previous fiscal year:

Fund	Fund Balance June 30, 2013	Increase/(Decrease)
Special Revenue Funds:		
Grants Fund	\$ 4,721	\$ 26,088
Municipal Court Building Fund	13,280	(2,146)
Administrative Assessment Fund	7,651	1,513
Park and Recreation Fund #1 (Lodging Tax)	327,458	(58,807)
Parks and Recreation Fund #2	65,887	38,347
Equestrian Center Fund	37,027	538
Senior Citizens Center Fund	49,683	1,364
Debt Service Fund	57,045	1,682
Capital Projects Fund	442,730	133,882
Police Forfeiture Fund	164,735	(3,323)
Perpetual Cemetery Care (Permanent) Fund	78,199	1,442
<b>Totals</b>	<b>\$ 1,248,416</b>	<b>\$ 140,580</b>

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**CITY OF CARLIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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**Proprietary Funds**

The City's sole Proprietary Fund, the Utility Fund, had a net position of \$4,591,541 as of June 30, 2013. Operating Revenues exceeded operating expenses by \$225,419.

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

**Capital Asset Activity**

At June 30, 2013, the City reported \$ 4,861,117 capital assets for governmental activities and \$2,961,970 in capital assets for business-type activities. Increases in capital assets were the result of improvements to City buildings and facilities, the City Park, Equestrian Center and the Phase 3 library construction. Public Safety added an Animal Control Vehicle, Power Gurney, and upgraded radios in compliance with narrow banding requirements from the FCC, as well as architectural design and engineering for the new firehouse. Additionally, the Utility Fund added capital assets in the form of a water line extension on Chestnut Street and a safety cage around the water tank ladder. For additional detail, see Note 4 of the financial statements.

**Long-term Debt Activity**

Long-term debt outstanding at June 30, 2013 totaled \$322,584. The debt consists of \$72,000 – Police Vehicles, Ambulance, Backhoe; \$163,998 - Senior Center; \$86,586 – Water Line Extension (2/3 of this debt is paid by the City of Elko and Elko County);

Additionally, the City estimates \$116,370 for compensated absences.

For additional information, refer to Note 6 in the financial statements.

**Budgets and Approved Budget Augmentations**

The City's General Fund Budget was augmented to reflect additional available resources, primarily opening fund balance that exceeded original budgeted amounts. General Fund revenues and available resources were augmented by \$779,521 and General Fund current operating and capital outlay expenditures increased by \$622,497.

Other Governmental Funds revenues were augmented in total by \$596,824 to reflect additional available resources. Budgeted expenditures increased by \$150,717.

**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 POSITION**  
**JUNE 30, 2013**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,637,606	\$ 1,707,631	\$ 6,345,237
Accounts receivable, net	181,459	87,911	269,370
Due from other governments	188,522	-	188,522
Taxes receivable, delinquent	157,537	-	157,537
Restricted cash and cash equivalents	10,890	20,398	31,288
Capital assets, net of accumulated depreciation	4,007,301	2,883,915	6,891,216
Capital assets, not being depreciated	853,816	78,055	931,871
<b>Total Assets</b>	<b>10,037,131</b>	<b>4,777,910</b>	<b>14,815,041</b>
<b>LIABILITIES</b>			
Accounts payable and other	73,671	25,997	99,668
Accrued salaries and related liabilities	57,912	15,094	73,006
Customer meter deposits	-	9,789	9,789
Noncurrent liabilities portion due or payable within one year:			
Compensated absences	60,984	12,549	73,533
Notes payable	52,504	16,069	68,573
Noncurrent liabilities portion due or payable after one year:			
Compensated absences	35,526	7,311	42,837
Notes payable	183,494	70,517	254,011
Other postemployment benefits liability	116,454	29,043	145,497
<b>Total Liabilities</b>	<b>580,545</b>	<b>186,369</b>	<b>766,914</b>
<b>NET POSITION</b>			
Net investment in capital assets	4,625,119	2,875,384	7,500,503
Restricted for:			
Debt service	10,890	20,398	31,288
Non-expendable perpetual cemetery care	33,004	-	33,004
Perpetual cemetery care	45,195	-	45,195
Administrative court fees (NRS 176)	20,931	-	20,931
Public safety	164,735	-	164,735
Unrestricted	4,556,712	1,695,759	6,252,471
<b>Total Net Position</b>	<b>\$ 9,456,586</b>	<b>\$ 4,591,541</b>	<b>\$ 14,048,127</b>

**CITY OF CARLIN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<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>
<b>Governmental Activities:</b>				
General Government	\$ 735,736	\$ -	\$ -	\$ -
Public Safety	941,291	187,480	-	88,829
Judicial	53,561	-	-	-
Public Works	202,543	160,300	-	20
Health and Sanitation	82,796	-	-	-
Culture and Recreation	463,787	112,390	160,838	-
Community Support	52,809	-	-	-
Interest on long-term debt	12,099	-	-	-
<b>Total Governmental Activities</b>	<b>2,544,622</b>	<b>460,170</b>	<b>160,838</b>	<b>88,849</b>
<b>Business-type Activities:</b>				
Water	439,538	527,238	-	-
Garbage	111,957	221,954	-	-
Sewer	317,244	339,871	-	-
Street lights	28,268	28,268	-	-
<b>Total Business-type Activities</b>	<b>897,007</b>	<b>1,117,331</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 3,441,629</b>	<b>\$ 1,577,501</b>	<b>\$ 160,838</b>	<b>\$ 88,849</b>

**General Revenues:**

Property Taxes  
Room Taxes  
Consolidated Revenues  
Fuel Taxes  
Interest and Investment Earnings  
Gain on Sale of Capital Assets  
Miscellaneous Revenue

Total General Revenues

Change in Net Position

Net Position, July 1

Net Position, June 30

NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (735,736)	\$ -	\$ (735,736)
(664,982)	-	(664,982)
(53,561)	-	(53,561)
(42,223)	-	(42,223)
(82,796)	-	(82,796)
(190,559)	-	(190,559)
(52,809)	-	(52,809)
(12,099)	-	(12,099)
<u>(1,834,765)</u>	<u>-</u>	<u>(1,834,765)</u>
-	87,700	87,700
-	109,997	109,997
-	22,627	22,627
<u>-</u>	<u>-</u>	<u>-</u>
-	220,324	220,324
<u>(1,834,765)</u>	<u>220,324</u>	<u>(1,614,441)</u>
321,943	-	321,943
80,159	-	80,159
1,888,631	-	1,888,631
50,848	-	50,848
4,660	26,571	31,231
331,518	-	331,518
66,494	9,877	76,371
<u>2,744,253</u>	<u>36,448</u>	<u>2,780,701</u>
909,488	256,772	1,166,260
<u>8,547,098</u>	<u>4,334,769</u>	<u>12,881,867</u>
<u>\$ 9,456,586</u>	<u>\$ 4,591,541</u>	<u>\$ 14,048,127</u>



**CITY OF CARLIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and investments	\$ 3,420,379	\$ 1,228,117	\$ 4,648,496
Receivables, net of allowances:			
Accounts	161,556	19,903	181,459
Taxes	157,537	-	157,537
Due from other governments	159,730	28,792	188,522
 Total Assets	 \$ 3,899,202	 \$ 1,276,812	 \$ 5,176,014
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 52,897	\$ 20,582	\$ 73,479
Payroll accruals	50,098	7,814	57,912
Bail and fines held	192	-	192
Deferred revenue	13,146	-	13,146
 Total Liabilities	 116,333	 28,396	 144,729
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable	-	33,004	33,004
Restricted for:			
Debt service	-	10,890	10,890
Perpetual cemetery care	-	45,195	45,195
Judicial Fees (NRS 176)	-	20,931	20,931
Public safety	-	164,735	164,735
Committed for:			
Future community development	-	5,474	5,474
Recreational activities	-	394,372	394,372
Other purposes	-	4,721	4,721
Assigned:			
Subsequent year operations	-	470,056	470,056
Other purposes	-	99,038	99,038
Unassigned	3,782,869	-	3,782,869
 Total Fund Balances	 3,782,869	 1,248,416	 5,031,285
 Total Liabilities and Fund Balances	 \$ 3,899,202	 \$ 1,276,812	 \$ 5,176,014

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**CITY OF CARLIN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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**Total fund balance, governmental funds** \$ 5,031,285

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

The net investment in capital assets is not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the statement of net position.

Capital assets	10,273,326	
Less accumulated depreciation	<u>(6,266,025)</u>	
	4,007,301	
Capital assets, not being depreciated	<u>853,816</u>	4,861,117

Deferred revenue represents amounts that are not available to fund current expenditures, and therefore, are not reported in the governmental funds.		13,146
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable	(235,998)	
Other post employment benefits	(116,454)	
Compensated absences	<u>(96,510)</u>	<u>(448,962)</u>

**Total net position, governmental activities** \$ 9,456,586

**CITY OF CARLIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>			
Taxes	\$ 297,013	\$ 102,169	\$ 399,182
Licenses, permits and fees	160,300	-	160,300
Intergovernmental	1,947,039	249,687	2,196,726
Charges for services	164,887	20,976	185,863
Fines and forfeits	22,593	-	22,593
Other	47,914	107,094	155,008
	<u>2,639,746</u>	<u>479,926</u>	<u>3,119,672</u>
<b>EXPENDITURES</b>			
Current:			
General government	711,324	-	711,324
Public safety	814,968	47,747	862,715
Judicial	52,911	-	52,911
Public works	91,992	-	91,992
Health and sanitation	80,027	100	80,127
Culture and recreation	76,860	313,297	390,157
Community support	52,167	-	52,167
Capital outlay	181,657	363,826	545,483
Debt service:			
Principal	-	50,219	50,219
Interest	-	12,099	12,099
	<u>2,061,906</u>	<u>787,288</u>	<u>2,849,194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>577,840</u>	<u>(307,362)</u>	<u>270,478</u>
<b>OTHER FINANCING SOURCE (USES)</b>			
Sale of fixed assets	349,380	-	349,380
Transfer in	61,058	584,000	645,058
Transfer out	(509,000)	(136,058)	(645,058)
	<u>(98,562)</u>	<u>447,942</u>	<u>349,380</u>
Net Change in Fund Balance	479,278	140,580	619,858
FUND BALANCES, July 1	<u>3,303,591</u>	<u>1,107,836</u>	<u>4,411,427</u>
FUND BALANCES, June 30	<u>\$ 3,782,869</u>	<u>\$ 1,248,416</u>	<u>\$ 5,031,285</u>

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**CITY OF CARLIN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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<b>Net change in fund balances, governmental funds</b>	\$	<b>619,858</b>
<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 position and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital outlay to purchase capital assets	545,483	
Current depreciation expense	<u>(263,559)</u>	281,924
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(17,864)
<p>Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds</p>		
		2,920
<p>Long-term liabilities, include notes payable, that are not due and payable in current period and therefore are not reported in the governmental funds.</p>		
Note payable - principal payments		50,219
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Current year change in compensated absences	(8,619)	
Current year change in other post employment benefits	<u>(18,950)</u>	<u>(27,569)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>909,488</u></b>

**CITY OF CARLIN**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2013**

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
	UTILITY FUND
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,707,631
Accounts receivable	87,911
	1,795,542
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents	20,398
Capital assets, net of accumulated depreciation	2,883,915
Capital assets, not being depreciated	78,055
	2,982,368
Total Assets	4,777,910
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	25,997
Accrued expenses	15,094
Compensated absences, current portion	12,549
Customer meter deposits	9,789
Note payable, current portion	16,069
	79,498
<b>NONCURRENT LIABILITIES</b>	
Compensated absences, net of current portion	7,311
Note payable, net of current portion	70,517
Other post employment benefits	29,043
	106,871
Total Liabilities	186,369
<b>NET POSITION</b>	
Net investment in capital assets	2,875,384
Restricted for debt service	20,398
Unrestricted	1,695,759
	4,591,541
Total Net Position	\$ 4,591,541

See accompanying notes.

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**CITY OF CARLIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
	UTILITY FUND
<b>OPERATING REVENUES</b>	
Charges for sales and services:	
Water (pledged for revenue bond coverage)	\$ 527,238
Garbage	221,954
Sewer	339,871
Street lights	28,268
Total Operating Revenues	1,117,331
<b>OPERATING EXPENSES</b>	
Salaries and wages	235,185
Employee benefits	110,535
Services and supplies	193,187
General services and supplies	232,113
Depreciation	120,892
Total Operating Expenses	891,912
Operating Income (Loss)	225,419
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and penalties earned	26,571
Miscellaneous revenues	9,877
Interest expense	(5,095)
Total Nonoperating Revenues (Expenses)	31,353
Change in Net Position	256,772
NET POSITION, July 1	4,334,769
NET POSITION, June 30	\$ 4,591,541

**CITY OF CARLIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(Page 1 of 2)*

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
	UTILITY FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,108,429
Cash payments to employees for services and benefits	(342,762)
Cash payments to suppliers for goods and services	(422,950)
Net Cash Provided (Used) by Operating Activities	342,717
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(29,812)
Proceeds from other governmental units	9,877
Loan payments	(15,303)
Interest expense	(5,095)
Net Cash Provided (Used) by Capital and Related Financing Activities	(40,333)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	26,571
Net Increase (Decrease) in Cash and Cash Equivalents	328,955
<b>CASH AND CASH EQUIVALENTS, July 1</b>	1,399,074
<b>CASH AND CASH EQUIVALENTS, June 30</b>	\$ 1,728,029
 <b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>	
Restricted cash and cash equivalents	\$ 20,398
Unrestricted cash and cash equivalents	1,707,631
	\$ 1,728,029

**CITY OF CARLIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(Page 2 of 2)*

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
	UTILITY FUND
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ <u>225,419</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	120,892
Change in assets and liabilities:	
(Increase) decrease in	
Accounts receivable	(5,853)
Increase (decrease) in	
Accounts payable	2,819
Accrued expenses	1,592
Meter deposits	(3,049)
Other post employment benefits liability	<u>897</u>
Total Adjustments	<u>117,298</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>342,717</u></u>



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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**1. Summary of  
Significant  
Accounting  
Policies**

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

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

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

The statement of net position presents the consolidated financial position of the City at year-end in separate columns, for both governmental and business-type activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 not supported by program revenues are generally dependent on general-purpose revenues, such as taxes and unrestricted interest earnings, to remain operational. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

are reported as separate columns in the fund financial statements. All other funds are aggregated into a single column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 governmental funds if they are not available to finance the activities of the current period.

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

The City reports the following major governmental fund:

- **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.

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

---

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

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 currently has no internal service funds.

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.

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.

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

---

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

- 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 governmental funds, except for bond repayments, short-term financing repayment and any other long-term contract expressly authorized by law, and certain other items specified in NRS 354.626. For proprietary funds the sum of operating and nonoperating expenses may not exceed the sum of budgeted operating and nonoperating expenses.

Property Taxes

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

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

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

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.
- 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: ambulance billings \$128,443, utility billings \$1,499.

Inventories

Expenditures for consumable supplies and minor equipment purchases are charged against appropriations at the time of purchase. Any inventories of such supplies at

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

June 30 are not material to the individual funds and are not recognized in these financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are recorded in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. These assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their 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 Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

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

Compensated Absences

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

Other Post-Employment Benefits

In addition to pension benefits (Public Employees Retirement System) described in Note 7 and postemployment healthcare benefits described in Note 11, the City waives monthly utility bills for certain retired employees per the City's Personnel Policy Manual section 5.16. The benefit terminates upon the death of the retiree. The City funds the benefit on a current basis and, as of June 30, 2013, had no retirees utilizing the benefit. The City had no cost associated with the above benefit for the year ending June 30, 2013.

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

Fund Balance/Net Position

*Government-wide Financial Statements:*

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

*Fund Financial Statements:*

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

- Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.
- Committed – Amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City's highest level of decision making authority. Committed amounts may only be established, amended, or rescinded pursuant to Council resolution.
- Assigned – Amounts that the City intends to use for a specific purpose, but do not meet the definitions of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the City Manager or City Clerk under the authorization of the City Council.
- Unassigned – Amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund.

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

Risk Management

The City, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters. The City assesses these risks and utilizes risk management provided through the Nevada Public Agency Insurance Pool (POOL) created through an inter-local cooperative agreement by participating Nevada governments. The City participated in Agency programs designed to reduce risk loss by governments. Members pay an annual premium and specific deductibles, as necessary, to POOL for its general insurance coverage. POOL is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per event and a \$13,000,000 general aggregate per member. POOL obtains

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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

independent coverage for insured events in excess of the \$200,000 limit and claims have not exceeded these amounts during the previous three years.

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

Use of Estimates

The preparation of financial statements in conformity with 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 Revised Statutes and Nevada Administrative Code**

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

The 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>	<u>Amount of Over Expenditure</u>
Cemetery Care	Health and Sanitation	\$ 100

**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.

*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 counterparty 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 \$6,376,525 and the bank balance was \$6,535,839. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records. Petty cash of \$750 is included in the carrying amount.



**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**3. Cash and Investments (Continued)**

Cash held by the City as of June 30, 2013 are allocated to the various funds as follows:

Major governmental funds	\$ 3,420,379
Nonmajor governmental funds	1,228,117
Business-type activities	<u>1,728,029</u>
<b>Total Cash and Investments</b>	<b><u><u>\$ 6,376,525</u></u></b>

**4. Capital Assets**

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Governmental Activities</b>				
Capital assets, being depreciated:				
Buildings	\$ 2,226,817	\$ 223,467	\$ -	\$ 2,450,284
Office equipment	114,039	6,696	-	120,735
Other equipment	1,626,338	200,816	-	1,827,154
Vehicles	1,808,055	11,500	-	1,819,555
Infrastructure	<u>3,952,594</u>	<u>103,004</u>	<u>-</u>	<u>4,055,598</u>
	<u>9,727,843</u>	<u>545,483</u>	<u>-</u>	<u>10,273,326</u>
Less: Accumulated Depreciation for:				
Buildings	(630,273)	(48,689)	-	(678,962)
Office equipment	(98,929)	(1,715)	-	(100,644)
Other equipment	(1,000,342)	(58,101)	-	(1,058,443)
Vehicles	(1,264,837)	(72,684)	-	(1,337,521)
Infrastructure	<u>(3,008,085)</u>	<u>(82,370)</u>	<u>-</u>	<u>(3,090,455)</u>
	<u>(6,002,466)</u>	<u>(263,559)</u>	<u>-</u>	<u>(6,266,025)</u>
Total capital assets, being depreciated, net	<u>3,725,377</u>	<u>281,924</u>	<u>-</u>	<u>4,007,301</u>
Capital assets, not being depreciated:				
Land	<u>871,678</u>	<u>-</u>	<u>(17,862)</u>	<u>853,816</u>
Governmental activities capital assets, net	<u><u>\$ 4,597,055</u></u>	<u><u>\$ 281,924</u></u>	<u><u>\$ (17,862)</u></u>	<u><u>\$ 4,861,117</u></u>
<b>Business-type Activities</b>				
Capital assets, being depreciated:				
Buildings	\$ 292,162	\$ -	\$ -	\$ 292,162
Office equipment	19,472	-	-	19,472
Other equipment	327,286	7,280	-	334,566
Vehicles	424,545	-	-	424,545
Infrastructure	<u>5,889,671</u>	<u>22,532</u>	<u>-</u>	<u>5,912,203</u>
	<u>6,953,136</u>	<u>29,812</u>	<u>-</u>	<u>6,982,948</u>

**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

4. Capital Assets (Continued)	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Less: Accumulated Depreciation for:				
Buildings	(37,978)	(6,973)	-	(44,951)
Office equipment	(16,446)	(303)	-	(16,749)
Other equipment	(297,472)	(3,613)	-	(301,085)
Vehicles	(424,545)	-	-	(424,545)
Infrastructure	(3,201,700)	(110,003)	-	(3,311,703)
	<u>(3,978,141)</u>	<u>(120,892)</u>	<u>-</u>	<u>(4,099,033)</u>
Total capital assets, being depreciated, net	<u>2,974,995</u>	<u>(91,080)</u>	<u>-</u>	<u>2,883,915</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>\$ 3,053,050</u>	<u>\$ (91,080)</u>	<u>\$ -</u>	<u>\$ 2,961,970</u>

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

Governmental activities:	
General government:	\$ 15,824
Public safety	67,965
Public works	109,419
Health and sanitation	1,520
Culture and recreation	68,831
Total depreciation expense – governmental activities	<u>\$ 263,559</u>
Business-type activities:	
Water	\$ 55,161
Sewer	65,731
Total depreciation expense – business-type activities	<u>\$ 120,892</u>

**5. Cooperative Agreement**

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

**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**5. Cooperative Agreement (Continued)**

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.

The City of Carlin received pledged revenues totaling \$80,716 since the cooperative agreement was put into place. The City received \$1,500 pledged revenues in the year ended June 30, 2013.

**6. Long-Term Liabilities**

Long-term debt as of June 30, 2013, consisted of the following:

	Balance, June 30
Governmental Activities:	
Note payable Nevada Bank and Trust, \$25,157 semi-annual including interest at 4.44% compounded quarterly, maturing June 30, 2015. The note is for short-term financing of police vehicles, backhoe and ambulance.	\$ 72,000
Note payable United States Department of Agriculture, Rural Development, \$12,100 annually including interest at 4.38%, maturing June 28, 2034. The note is for construction of senior citizens facility.	163,998
	235,998
Business-Type Activities (Enterprise Fund):	
Note payable United States Department of Agriculture, Rural Development, \$20,398 annually including interest at 5.0%, maturing on or before April 1, 2041. The note provides matching funds for construction of the water line extension (see Note 6).	86,586
Total Notes Payable	\$ 322,584

The governmental activities notes will be repaid by the Debt Service Fund. The maturity of the notes payable for the years after June 30, 2013, based upon present arrangements, is as follows:

**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**6. Long-Term Liabilities (Continued)**

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
2014	\$ 47,579	\$ 2,736	\$ 4,925	\$ 7,175
2015	24,421	554	5,141	6,959
2016	-	-	5,365	6,735
2017	-	-	5,600	6,500
2018	-	-	5,845	6,255
2019-2023	-	-	33,293	27,207
2024-2028	-	-	41,242	19,258
2029-2033	-	-	51,088	9,412
2034-2034	-	-	11,499	503
<b>Total</b>	<b>\$ 72,000</b>	<b>\$ 3,290</b>	<b>\$ 163,998</b>	<b>\$ 90,004</b>

Changes in Long-Term Liabilities:

	Balance July 1	Additions
Governmental Activities:		
Compensated absences	\$ 87,891	\$ 75,476
Notes payable	286,217	-
<b>Total</b>	<b>\$ 374,108</b>	<b>\$ 75,476</b>
Business-Type Activities:		
Compensated absences	\$ 19,391	\$ 24,615
Notes payable	101,889	-
<b>Total</b>	<b>\$ 121,280</b>	<b>\$ 24,615</b>

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 2012-2013 of \$27,945,968 the City's debt limit would be \$5,589,194. As of June 30, 2013, the City has \$322,584 total debt outstanding, thus leaving excess debt capacity.

**7. 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

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Business-Type Activities

U.S. Department of Agriculture, Water Line Extension		Total Notes Payable	
Principal	Interest	Principal	Interest
\$ 16,069	\$ 4,329	\$ 68,573	\$ 14,240
16,872	3,526	46,434	11,039
17,716	2,682	23,081	9,417
18,602	1,796	24,202	8,296
17,327	866	23,172	7,121
-	-	33,293	27,207
-	-	41,242	19,258
-	-	51,088	9,412
-	-	11,499	503
<u>\$ 86,586</u>	<u>\$ 13,199</u>	<u>\$ 322,584</u>	<u>\$ 106,493</u>

Reductions	Balance June 30	Amount Due Within One Year
\$ 66,857	\$ 96,510	\$ 60,983
50,219	235,998	52,504
<u>\$ 117,076</u>	<u>\$ 332,508</u>	<u>\$ 113,487</u>
\$ 24,146	\$ 19,860	\$ 12,549
15,303	86,586	16,069
<u>\$ 39,449</u>	<u>\$ 106,446</u>	<u>\$ 28,618</u>

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**7. Defined Benefit Pension Plan**

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 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 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, 2013, 2012, and 2011, were \$273,666, \$255,428, and \$218,355, respectively, equal to the required contributions for the each year. The contribution rates for the years ended June 2013, 2012 and 2011 were 23.75%, 23.75%, and 21.50%, respectively, for regular employees; 39.75%, 39.75%, and 37.00%, respectively, for police and fire employees under the employer paid plan; 24.5% for 2013 and 2012 and 22.50% in 2011 for volunteer fire fighters; and 12.25% for 2013 and 2012 and 11.25% for 2011 for regular employees under the employer/employee paid plan for the specified years.

**8. Fund Equity**

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

Unrestricted for General Use: In accordance with an ordinance enacted by the City of Carlin on June 8, 2011, the City has adopted a policy to maintain a minimum level of unrestricted fund balance for the General Fund of not less than 75% of the previous year's unrestricted general fund expenditures.

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 fund balance/net position of one-tenth of the annual payment amount for each loan until one full payment has been set-aside. The restricted debt service requirements for the year ended June 30, 2013 for the water line extension and Carlin Senior Center are currently \$20,398 and \$10,890, respectively.

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 will be left in the Perpetual Cemetery Care Fund. The earnings can be withdrawn and deposited to the General Fund to be used for perpetual cemetery care.

Committed 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 designated for future projects that will enhance the community.

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

**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**8. Fund Equity  
(Continued)**

Commitments of net position 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. These amounts are not included in the financial statements.

Commitment for Water System, Water Capital Improvement and Sewer Capital Improvement: These amounts are user charges set aside for major capital improvements such as water wells and sewer improvements.

	Balance July 1, 2012	Net Change	Balance June 30, 2013
Water system	\$ 292,338	\$ 4,800	\$ 0
Water capital improvement	17,736	10,400	0
Sewer capital improvement	205,176	6,400	0

**9. Interfund Items**

Interfund transfers are shown as other financing sources or uses in all governmental funds. Transfers between funds during the year ended June 30, 2013 are as follows:

	Transfer In	Transfer Out	Net
Transfers:			
General	\$ 61,058	\$ (509,000)	\$ (447,942)
Nonmajor Governmental Funds:			
Grants Fund	25,000	-	25,000
Parks and Recreation	-	(132,000)	(132,000)
Parks and Recreation #2	40,000	-	40,000
Equestrian Center	35,000	-	35,000
Open Door Senior Citizens Center	60,000	-	60,000
Administrative Assessments	-	(4,058)	(4,058)
Debt Service	64,000	-	64,000
Capital Projects	360,000	-	360,000
<b>Total</b>	<b>\$ 645,058</b>	<b>\$ (645,058)</b>	<b>\$ -</b>

The General Fund and Parks and Recreation Fund subsidized certain non-major funds whose funding sources were not large enough to support the entire cost of their programs in accordance with budgetary authority. The Administrative Assessments Fund transferred monies to the General Fund for court expenses. The Parks and Recreation Fund transferred monies to the General Fund to reimburse for certain park improvement costs.

**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, 2013 is provided for the water service as follows:

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**10. Enterprise Fund  
Revenue-  
Supported Debt  
Information  
(Continued)**

<i>Condensed Statement of Net Position:</i>		
Current assets		\$ 757,460
Capital assets, net of accumulated depreciation		<u>1,554,099</u>
Total assets		<u>2,311,559</u>
Current liabilities		44,205
Noncurrent liabilities		<u>92,372</u>
Total liabilities		<u>136,577</u>
Net position:		
Net investment in capital assets		1,467,513
Restricted for debt service		20,398
Unrestricted		<u>687,071</u>
Total net position		<u>\$ 2,174,982</u>
<i>Condensed Statement of Activities:</i>		
Operating revenues:		
Charges for services		<u>\$ 527,238</u>
Operating expenses:		
Depreciation		57,046
Other operating expenses		<u>390,058</u>
Total operating expenses		<u>447,104</u>
Operating income		<u>80,134</u>
Nonoperating revenue (expense):		
Interest income		14,414
Interest expense		<u>(5,095)</u>
Total nonoperating revenue/(expense)		<u>9,319</u>
Change in net position		89,453
Beginning net position		<u>2,085,529</u>
Ending net position		<u>\$ 2,174,982</u>
<i>Condensed Statement of Cash Flows:</i>		
Net cash provided (used) by:		
Operating activities		\$ 152,786
Capital and related financing activities		(15,304)
Investing activities		<u>(6,269)</u>
Net Increase in Cash		131,213
Beginning Cash		<u>584,764</u>
Ending Cash		<u>\$ 715,977</u>



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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**11. Post  
Employment  
Healthcare Plan**

Plan Descriptions: The City administers a single-employer defined benefit healthcare plan, Carlin Employee Health Benefits Plan (CEHBP). Additionally, the City contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, dental, prescription, and life insurance benefits to eligible City retirees and beneficiaries.

Benefit provisions for CEHBP are established pursuant to NRS 287.023 and amended through negotiations between the City and its employees. NRS 288.150 assigns the authority to establish benefit provisions to the City Council. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the City's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2013, no retirees were using this plan. CEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. City employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 discontinued the option to join PEBP for City employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in their plan. As of June 30, 2013, twelve city retirees were utilizing this benefit. PEBP does not issue a publicly available financial report.

Funding Policy: For CEHBP, contribution requirements of the plan members and City are established and may be amended through negotiations between the City and their employees. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The City's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the City. The implicit subsidy as determined by the actuary is \$0. The City did not prefund any future benefits.

For PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired City employees. The contribution requirements of plan members and the City may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy therefore, their contributions are not available. For the plan year ended June 30, 2013, retirees qualified for a subsidy of \$118 at five years of service and \$650 at twenty years of service, with incremental increases for years of service between. As a participating employer, the City is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2013, the City contributed \$14,601 to the plan for current premiums.

**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**11. Post  
Employment  
Healthcare Plan  
(Continued)**

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) for the plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation, by plan were as follows:

	Fiscal Year End	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
CEHBP	6/30/13	\$ 9,639	\$ -	0.00%	\$ 95,172
CEHBP	6/30/12	36,745	3,637	9.87%	85,533
CEHBP	6/30/11	34,403	7,590	22.06%	52,425
PEBP	6/30/13	24,809	14,601	58.86%	50,325
PEBP	6/30/12	25,322	12,752	49.29%	40,117
PEBP	6/30/11	24,784	12,034	48.56%	27,547
Combined	6/30/13	34,448	14,601	42.39%	145,497
Combined	6/30/12	62,067	16,389	26.13%	125,650
Combined	6/30/11	59,187	19,624	33.16%	79,972

The net OPEB obligation (NOPEBO) as of June 30, 2013, was calculated as follows:

	CEHBP	PEBP	Total
Annual required contribution	\$ 9,943	\$ 25,661	\$ 35,604
Interest on net OPEB obligation	3,421	1,605	5,026
Adjustment to annual required contribution	(3,725)	(2,457)	(6,182)
Annual OPEB cost (expense)	9,639	24,809	34,448
Contributions made	-	14,601	14,601
Change in net OPEB obligation	9,639	10,208	19,847
Net OPEB obligation, beginning of year	85,533	40,117	125,650
Net OPEB obligation, end of year	\$ 95,172	\$ 50,325	\$ 145,497

Funded Status and Funding Progress: The funded status of the plans as of June 30, 2013 was as follows:

**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

11. Post Employment Healthcare Plan (Continued)	CEHBP	PEBP	Totals
Accrued actuarial liability (a)	\$ 56,959	\$ 435,794	\$ 492,753
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability			
(a) – (b)	<u>\$ 56,959</u>	<u>\$ 435,794</u>	<u>\$ 492,753</u>
Funded Ratio (b) / (a)	0.00%	0.00%	0.00%
Covered payroll (c)	\$ 974,577	N/A	
Unfunded Actuarial Accrued Liability as a			
Percentage of Covered Payroll ([(a) – (b)] / (c))	5.84%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multiyear information will be provided as it becomes available.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the June 30, 2013 actuarial valuation were as follows:

	CEHP	PEBP
Actuarial valuation date	6/30/13	6/30/13
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization cost method	Level % of payroll	Level dollar
Amortization period	27 years (closed)	27 years (closed)
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Projected general inflation rate	3%	3%
Investment rate of return	4%	4%
Projected salary increases	4%	4%
Healthcare inflation rate*	9%	9%

\*Decreasing .50% each year until ultimate trend rate of 5.00% is reached.

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**CITY OF CARLIN**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**12. Commitments  
and  
Contingencies**

*Commitments*

The City was in the construction or pre-construction stage for two projects at June 30, 2013 and had related architectural or purchase commitments as follows:

Bulk water distribution station	\$ 36,630
Firehouse Phase I	12,855

*Contingencies*

The City was named in a lawsuit concerning a police arrest. The City intends to vigorously defend its position and a potential range of loss therefore cannot be reasonably established for this item.

**13. Subsequent  
Events**

After year end, the City approved two sales of City-owned land for \$225,000 including certain land improvements.

The City increased water and sewer capital improvement fees for all new development within the city to \$2,110 and \$1,745 respectively.

The City approved two construction projects for street improvements and Firehouse Phase II. A total of \$894,138 was approved for the two projects.

The City reached a final agreement on property foreclosed in a prior year and remitted a small additional payment to the former buyer.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
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	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2012
<b>REVENUES</b>					
Taxes:					
Ad valorem taxes	\$ 312,789	\$ 300,000	\$ 297,013	\$ (2,987)	\$ 301,439
Licenses, Permits and Fees:					
Franchise fees	20,000	8,000	14,191	6,191	16,360
Business licenses	16,000	22,000	21,184	(816)	19,185
Liquor licenses	4,000	-	5,010	5,010	4,890
Local gaming licenses	6,000	-	10,080	10,080	8,229
Animal licenses	2,000	-	2,516	2,516	3,176
Building permits	20,000	40,000	98,199	58,199	51,428
Other permits and fees	2,000	4,000	9,120	5,120	9,833
	<u>70,000</u>	<u>74,000</u>	<u>160,300</u>	<u>86,300</u>	<u>113,101</u>
Intergovernmental:					
Consolidated revenues	1,430,000	1,500,000	1,888,631	388,631	1,822,546
Motor vehicle fuel tax	50,000	50,000	50,848	848	50,780
Share of county gaming license	5,000	5,000	7,560	2,560	7,313
	<u>1,485,000</u>	<u>1,555,000</u>	<u>1,947,039</u>	<u>392,039</u>	<u>1,880,639</u>
Charges for Services:					
Ambulance charges	100,000	65,000	153,263	88,263	132,439
Ambulance supplies	10,000	11,000	11,624	624	17,944
	<u>110,000</u>	<u>76,000</u>	<u>164,887</u>	<u>88,887</u>	<u>150,383</u>
Fines and Forfeits:					
Court fines and fees	12,000	12,000	14,684	2,684	17,685
Animal fines and fees	2,000	2,000	4,953	2,953	1,836
Other	-	2,460	2,956	496	10,140
	<u>14,000</u>	<u>16,460</u>	<u>22,593</u>	<u>6,133</u>	<u>29,661</u>

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
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	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2012
	ORIGINAL	FINAL		VARIANCE	
Other:					
Interest income	-	6,000	4,613	(1,387)	8,868
Other income	8,000	3,822	19,766	15,944	4,888
Sales and rentals	12,000	1,600	1,766	166	1,658
Leases and contracts	16,000	12,153	15,769	3,616	15,814
Local grants	-	-	6,000	6,000	55,616
	<u>36,000</u>	<u>23,575</u>	<u>47,914</u>	<u>24,339</u>	<u>86,844</u>
Total Revenues	<u>2,027,789</u>	<u>2,045,035</u>	<u>2,639,746</u>	<u>594,711</u>	<u>2,562,067</u>
<b>EXPENDITURES</b>					
Current:					
General Government:					
Finance Administration					
Salaries and wages	85,410	92,000	88,558	3,442	94,965
Employee benefits	38,233	35,000	32,927	2,073	29,137
Services and supplies	12,750	14,250	10,197	4,053	12,654
Capital outlay	-	8,200	7,347	853	4,718
	<u>136,393</u>	<u>149,450</u>	<u>139,029</u>	<u>10,421</u>	<u>141,474</u>
Legislative					
Salaries and wages	10,500	10,500	9,478	1,022	9,897
Employee benefits	7,000	8,000	7,186	814	7,702
Services and supplies	6,000	5,300	2,331	2,969	4,235
	<u>23,500</u>	<u>23,800</u>	<u>18,995</u>	<u>4,805</u>	<u>21,834</u>
Other					
Services and supplies	376,300	528,601	451,301	77,300	363,390
Capital outlay	-	-	9,558	(9,558)	-
	<u>376,300</u>	<u>528,601</u>	<u>460,859</u>	<u>67,742</u>	<u>363,390</u>

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
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	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2012
City Manager					
Salaries and wages	73,800	76,000	72,876	3,124	70,605
Employee benefits	30,000	38,000	34,983	3,017	31,258
Services and supplies	1,300	2,600	1,487	1,113	939
Capital Outlay	-	2,700	2,458	242	9,002
	<u>105,100</u>	<u>119,300</u>	<u>111,804</u>	<u>7,496</u>	<u>111,804</u>
Total General Government	<u>641,293</u>	<u>821,151</u>	<u>730,687</u>	<u>100,022</u>	<u>638,502</u>
Public Safety:					
Police					
Salaries and wages	340,000	355,000	354,772	228	293,452
Employee benefits	207,000	192,900	183,196	9,704	153,018
Services and supplies	93,350	95,950	81,395	14,555	63,969
Capital outlay	-	13,000	15,698	(2,698)	5,667
	<u>640,350</u>	<u>656,850</u>	<u>635,061</u>	<u>21,789</u>	<u>516,106</u>
Animal Control					
Salaries	31,200	23,000	21,903	1,097	-
Employee benefits	16,000	15,000	14,181	819	-
Services and supplies	5,000	3,300	328	2,972	-
	<u>52,200</u>	<u>41,300</u>	<u>36,412</u>	<u>4,888</u>	<u>-</u>
Fire and Ambulance					
Salaries	54,000	58,000	52,451	5,549	43,947
Employee benefits	42,000	43,000	32,078	10,922	22,359
Services and supplies	77,000	94,000	74,664	19,336	77,124
Capital outlay	-	5,000	4,252	748	-
	<u>173,000</u>	<u>200,000</u>	<u>163,445</u>	<u>36,555</u>	<u>143,430</u>
Total Public Safety	<u>865,550</u>	<u>898,150</u>	<u>834,918</u>	<u>63,232</u>	<u>659,536</u>
Judicial:					
Municipal Court					
Salaries and wages	43,500	41,000	35,843	5,157	37,616
Employee benefits	19,000	26,000	15,113	10,887	13,840
Services and supplies	2,325	2,450	1,955	495	1,947
Capital outlay	10,000	-	3,058	(3,058)	-
Total Judicial	<u>74,825</u>	<u>69,450</u>	<u>55,969</u>	<u>13,481</u>	<u>53,403</u>



**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
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	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2012
	ORIGINAL	FINAL		VARIANCE	
Public Works:					
Highways and Streets					
Salaries and wages	32,000	32,000	30,667	1,333	29,044
Employee benefits	20,583	21,175	17,876	3,299	17,057
Services and supplies	49,550	55,700	43,449	12,251	34,306
Capital outlay	-	50,380	56,806	(6,426)	-
Total Public Works	102,133	159,255	148,798	10,457	80,407
Health and Sanitation:					
Public Health Administration					
Services and supplies	15,000	15,000	-	15,000	7,020
Cemetery					
Salaries and wages	52,000	56,000	52,390	3,610	49,392
Employee benefits	24,675	27,175	23,483	3,692	22,917
Services and supplies	6,000	6,000	4,154	1,846	2,956
Capital Outlay	1,921	1,921	764	1,157	3,279
Total Health and Sanitation	84,596	91,096	80,791	10,305	78,544
Total Health and Sanitation	99,596	106,096	80,791	25,305	85,564
Culture and Recreation:					
Parks					
Salaries and wages	50,000	57,000	49,651	7,349	44,552
Employee benefits	24,175	22,175	18,614	3,561	21,182
Services and supplies	6,500	7,500	6,518	982	3,861
Capital outlay	-	1,000	386	614	-
Total Parks	80,675	87,675	75,169	12,506	69,595
Library					
Services and supplies	1,500	3,500	2,077	1,423	1,603
Capital outlay	100,000	158,000	81,330	76,670	175,883
Total Library	101,500	161,500	83,407	78,093	177,486
Total Culture and Recreation	182,175	249,175	158,576	90,599	247,081

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
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	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2012
Community Support:					
Economic Development					
Salaries and wages	35,693	37,000	33,287	3,713	33,835
Employee benefits	20,135	22,000	18,710	3,290	18,805
Services and supplies	1,000	1,000	170	830	-
Total Community Support	<u>56,828</u>	<u>60,000</u>	<u>52,167</u>	<u>7,833</u>	<u>52,640</u>
Contingency	<u>20,000</u>	<u>20,000</u>	-	<u>20,000</u>	-
Total Expenditures	<u>2,042,400</u>	<u>2,383,277</u>	<u>2,061,906</u>	<u>321,371</u>	<u>1,817,133</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(14,611)</u>	<u>(338,242)</u>	<u>577,840</u>	<u>916,082</u>	<u>744,934</u>
OTHER FINANCING SOURCES (USES)					
Sale of fixed assets	-	43,380	349,380	306,000	172,154
Transfers in	68,921	62,058	61,058	(1,000)	104,279
Transfers out	<u>(184,000)</u>	<u>(509,000)</u>	<u>(509,000)</u>	-	<u>(247,000)</u>
Total Other Financing					
Sources (Uses)	<u>(115,079)</u>	<u>(403,562)</u>	<u>(98,562)</u>	<u>305,000</u>	<u>29,433</u>
Net Change in Fund Balance	(129,690)	(741,804)	479,278	1,221,082	774,367
FUND BALANCE, July 1	<u>2,540,534</u>	<u>3,303,591</u>	<u>3,303,591</u>	-	<u>2,529,224</u>
FUND BALANCE, June 30	<u>\$ 2,410,844</u>	<u>\$ 2,561,787</u>	<u>\$ 3,782,869</u>	<u>\$ 1,221,082</u>	<u>\$ 3,303,591</u>

**CITY OF CARLIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULES OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFIT PLANS**  
**JUNE 30, 2013**

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
CEHBP	6/30/13	\$ -	\$ 56,959	\$ 56,959	0.00%	\$ 974,577	5.84%
CEHBP	6/30/10	-	199,145	199,145	0.00%	895,024	22.25%
PEBP	6/30/13	-	435,794	435,794	0.00%	N/A *	N/A
PEBP	6/30/10	-	434,682	434,682	0.00%	N/A *	N/A

Note - GASB 45 was implemented prospectively for the fiscal year ended June 30, 2010. Therefore, prior year information is not available.

\* PEBP was closed to City employees retiring after November 29, 2008.

Change 2010 to 2013 valuation (CEHBP AAL):

The City's AAL for its Plan decreased from \$199,145 to \$56,959, mostly due to changes in assumptions since the prior valuation. In particular, there was a decrease from 50% to 20% in the participation rate assumption for future retirees who will elect to continue their insurance coverage. The decrease was based on the actuary's review of actual plan data. There were also changes in the assumptions for retiree life expectancy and healthcare trend rates.

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**SUPPLEMENTARY INFORMATION**

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**CITY OF CARLIN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

SPECIAL REVENUE FUNDS

	MUNICIPAL				
	GRANTS FUND	PARKS AND RECREATION FUND	COURT BUILDING FUND	ADMINISTRATIVE ASSESSMENT FUND	PARKS AND RECREATION FUND #2
<b>ASSETS</b>					
Cash and investments	\$ 10,098	\$ 321,726	\$ 13,210	\$ 2,243	\$ 65,896
Accounts receivable, net	-	5,732	70	5,408	-
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,098</b>	<b>\$ 327,458</b>	<b>\$ 13,280</b>	<b>\$ 7,651</b>	<b>\$ 65,896</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 5,377	\$ -	\$ -	\$ -	\$ 9
Payroll accruals	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>FUND BALANCE (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Perpetual cemetery care	-	-	-	-	-
Judicial Fees (NRS 176)	-	-	13,280	7,651	-
Committed for:					
Future community development	-	5,474	-	-	-
Recreational activities	-	321,984	-	-	65,887
Public safety	-	-	-	-	-
Other purposes	4,721	-	-	-	-
Assigned:					
Subsequent year operations	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>Total Fund Balance</b>	<b>4,721</b>	<b>327,458</b>	<b>13,280</b>	<b>7,651</b>	<b>65,887</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 10,098</b>	<b>\$ 327,458</b>	<b>\$ 13,280</b>	<b>\$ 7,651</b>	<b>\$ 65,896</b>

SPECIAL REVENUE FUNDS					PERMANENT FUND	
EQUESTRIAN CENTER FUND	POLICE FORFEITURE	SENIOR CITIZENS CENTER FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	PERPETUAL CEMETERY CARE FUND	TOTAL 2013
\$ 37,027	\$ 167,605	\$ 29,559	\$ 57,045	\$ 445,829	\$ 77,879	\$ 1,228,117
-	-	8,373	-	-	320	19,903
-	-	23,614	-	5,178	-	28,792
<u>\$ 37,027</u>	<u>\$ 167,605</u>	<u>\$ 61,546</u>	<u>\$ 57,045</u>	<u>\$ 451,007</u>	<u>\$ 78,199</u>	<u>\$ 1,276,812</u>
\$ -	\$ 2,870	\$ 4,049	\$ -	\$ 8,277	\$ -	\$ 20,582
-	-	7,814	-	-	-	7,814
-	2,870	11,863	-	8,277	-	28,396
-	-	-	-	-	33,004	33,004
-	-	-	10,890	-	-	10,890
-	-	-	-	-	45,195	45,195
-	-	-	-	-	-	20,931
-	-	-	-	-	-	5,474
6,501	-	-	-	-	-	394,372
-	164,735	-	-	-	-	164,735
-	-	-	-	-	-	4,721
-	-	27,326	-	442,730	-	470,056
30,526	-	22,357	46,155	-	-	99,038
<u>37,027</u>	<u>164,735</u>	<u>49,683</u>	<u>57,045</u>	<u>442,730</u>	<u>78,199</u>	<u>1,248,416</u>
<u>\$ 37,027</u>	<u>\$ 167,605</u>	<u>\$ 61,546</u>	<u>\$ 57,045</u>	<u>\$ 451,007</u>	<u>\$ 78,199</u>	<u>\$ 1,276,812</u>

**CITY OF CARLIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

SPECIAL REVENUE FUNDS

	MUNICIPAL				
	GRANTS FUND	PARKS AND RECREATION FUND	COURT BUILDING FUND	ADMINISTRATIVE ASSESSMENT FUND	PARKS AND RECREATION FUND #2
<b>REVENUES</b>					
Taxes	\$ -	\$ 80,159	\$ -	\$ -	\$ -
Intergovernmental	88,849	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	1,912	11,951	18,376
<b>Total Revenues</b>	<b>88,849</b>	<b>80,159</b>	<b>1,912</b>	<b>11,951</b>	<b>18,376</b>
<b>EXPENDITURES</b>					
Current:					
Public safety	36,856	-	-	10,438	-
Health and sanitation	-	-	-	-	-
Culture and recreation	-	6,966	-	-	12,170
Capital outlay	50,905	-	-	-	7,859
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>87,761</b>	<b>6,966</b>	<b>-</b>	<b>10,438</b>	<b>20,029</b>
Excess (Deficiency) of Revenues Over Expenditures	1,088	73,193	1,912	1,513	(1,653)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	25,000	-	-	-	40,000
Transfers out	-	(132,000)	(4,058)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>25,000</b>	<b>(132,000)</b>	<b>(4,058)</b>	<b>-</b>	<b>40,000</b>
<b>Net Change in Fund Balance</b>	<b>26,088</b>	<b>(58,807)</b>	<b>(2,146)</b>	<b>1,513</b>	<b>38,347</b>
<b>FUND BALANCES, July 1</b>	<b>(21,367)</b>	<b>386,265</b>	<b>15,426</b>	<b>6,138</b>	<b>27,540</b>
<b>FUND BALANCES, June 30</b>	<b>\$ 4,721</b>	<b>\$ 327,458</b>	<b>\$ 13,280</b>	<b>\$ 7,651</b>	<b>\$ 65,887</b>

SPECIAL REVENUE FUNDS					PERMANENT FUND	TOTAL
EQUESTRIAN CENTER FUND	POLICE FORFEITURE	SENIOR CITIZENS CENTER FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	PERPETUAL CEMETERY CARE FUND	2013
\$ -	\$ -	\$ -	\$ -	\$ 22,010	\$ -	\$ 102,169
-	-	160,838	-	-	-	249,687
-	-	20,976	-	-	-	20,976
<u>73,038</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>25</u>	<u>1,542</u>	<u>107,094</u>
<u>73,038</u>	<u>-</u>	<u>182,064</u>	<u>-</u>	<u>22,035</u>	<u>1,542</u>	<u>479,926</u>
-	453	-	-	-	-	47,747
-	-	-	-	-	100	100
53,461	-	240,700	-	-	-	313,297
54,039	2,870	-	-	248,153	-	363,826
-	-	-	50,219	-	-	50,219
-	-	-	12,099	-	-	12,099
<u>107,500</u>	<u>3,323</u>	<u>240,700</u>	<u>62,318</u>	<u>248,153</u>	<u>100</u>	<u>787,288</u>
<u>(34,462)</u>	<u>(3,323)</u>	<u>(58,636)</u>	<u>(62,318)</u>	<u>(226,118)</u>	<u>1,442</u>	<u>(307,362)</u>
35,000	-	60,000	64,000	360,000	-	584,000
-	-	-	-	-	-	(136,058)
<u>35,000</u>	<u>-</u>	<u>60,000</u>	<u>64,000</u>	<u>360,000</u>	<u>-</u>	<u>447,942</u>
538	(3,323)	1,364	1,682	133,882	1,442	140,580
<u>36,489</u>	<u>168,058</u>	<u>48,319</u>	<u>55,363</u>	<u>308,848</u>	<u>76,757</u>	<u>1,107,836</u>
<u>\$ 37,027</u>	<u>\$ 164,735</u>	<u>\$ 49,683</u>	<u>\$ 57,045</u>	<u>\$ 442,730</u>	<u>\$ 78,199</u>	<u>\$ 1,248,416</u>



**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal Grants	\$ 255,000	\$ 88,849	\$ (166,151)	\$ 221,995
State Grants	-	-	-	1,000
	<u>255,000</u>	<u>88,849</u>	<u>(166,151)</u>	<u>222,995</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Services and supplies	249,777	36,856	212,921	190,803
Capital outlay	-	50,905	(50,905)	50,931
	<u>249,777</u>	<u>87,761</u>	<u>162,016</u>	<u>241,734</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	5,223	1,088	(4,135)	(18,739)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	30,223	26,088	(4,135)	(18,739)
FUND BALANCE, July 1	<u>(21,367)</u>	<u>(21,367)</u>	<u>-</u>	<u>(2,628)</u>
FUND BALANCE (DEFICIT), June 30	<u>\$ 8,856</u>	<u>\$ 4,721</u>	<u>\$ (4,135)</u>	<u>\$ (21,367)</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, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>REVENUES</b>				
Taxes:				
Room tax revenues	\$ 100,000	\$ 80,159	\$ (19,841)	\$ 107,849
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Services and supplies	<u>8,000</u>	<u>6,966</u>	<u>1,034</u>	<u>9,316</u>
Excess (Deficiency) of Revenues Over Expenditures	92,000	73,193	(18,807)	98,533
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(132,000)</u>	<u>(132,000)</u>	<u>-</u>	<u>(115,000)</u>
Net Change in Fund Balance	(40,000)	(58,807)	(18,807)	(16,467)
FUND BALANCE, July 1	<u>374,732</u>	<u>386,265</u>	<u>11,533</u>	<u>402,732</u>
FUND BALANCE, June 30	<u><u>\$ 334,732</u></u>	<u><u>\$ 327,458</u></u>	<u><u>\$ (7,274)</u></u>	<u><u>\$ 386,265</u></u>

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**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, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
REVENUES				
Miscellaneous:				
Building Assessments	\$ <u>1,500</u>	\$ <u>1,912</u>	\$ <u>412</u>	\$ <u>1,111</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(4,058)</u>	<u>(4,058)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(2,558)	(2,146)	412	1,111
FUND BALANCE, July 1	<u>15,426</u>	<u>15,426</u>	<u>-</u>	<u>14,315</u>
FUND BALANCE, June 30	<u>\$ <u>12,868</u></u>	<u>\$ <u>13,280</u></u>	<u>\$ <u>412</u></u>	<u>\$ <u>15,426</u></u>

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ADMINISTRATIVE ASSESSMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
REVENUES				
Miscellaneous:				
Administrative assessments	\$ 11,252	\$ 11,951	\$ 699	\$ 12,102
EXPENDITURES				
Current:				
Public Safety:				
Municipal Court	<u>11,050</u>	<u>10,438</u>	<u>612</u>	<u>6,631</u>
Excess (Deficiency)				
of Revenues				
Over Expenditures	202	1,513	1,311	5,471
OTHER FINANCING SOURCES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>
Net Change in Fund Balance	202	1,513	1,311	4,471
FUND BALANCE, July 1	<u>6,138</u>	<u>6,138</u>	<u>-</u>	<u>1,667</u>
FUND BALANCE, June 30	<u>\$ 6,340</u>	<u>\$ 7,651</u>	<u>\$ 1,311</u>	<u>\$ 6,138</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, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>REVENUES</b>				
Miscellaneous:				
Other income	\$ 17,350	\$ 18,376	\$ 1,026	\$ 16,749
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Parks				
Services and supplies	16,000	12,170	3,830	15,326
Capital Outlay	40,000	7,859	32,141	43,763
Total Expenditures	56,000	20,029	35,971	59,089
Excess (Deficiency) of Revenues Over Expenditures	(38,650)	(1,653)	36,997	(42,340)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	40,000	40,000	-	53,000
Net Change in Fund Balance	1,350	38,347	36,997	10,660
FUND BALANCE, July 1	27,540	27,540	-	16,880
FUND BALANCE, June 30	\$ 28,890	\$ 65,887	\$ 36,997	\$ 27,540

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**EQUESTRIAN CENTER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>REVENUES</b>				
Intergovernmental:				
State Grants:				
Grant proceeds	\$ 3,000	\$ -	\$ (3,000)	\$ 4,666
Miscellaneous:				
Other income	<u>72,238</u>	<u>73,038</u>	<u>800</u>	<u>33,182</u>
Total Revenues	<u>75,238</u>	<u>73,038</u>	<u>(2,200)</u>	<u>37,848</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Parks				
Services and supplies	55,000	53,461	1,539	36,787
Capital outlay	<u>65,000</u>	<u>54,039</u>	<u>10,961</u>	<u>15,212</u>
Total Expenditures	<u>120,000</u>	<u>107,500</u>	<u>12,500</u>	<u>51,999</u>
Excess (Deficiency) of Revenues Over Expenditures	(44,762)	(34,462)	10,300	(14,151)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>40,000</u>
Net Change in Fund Balance	(9,762)	538	10,300	25,849
FUND BALANCE, July 1	<u>36,489</u>	<u>36,489</u>	<u>-</u>	<u>10,640</u>
FUND BALANCE, June 30	<u>\$ 26,727</u>	<u>\$ 37,027</u>	<u>\$ 10,300</u>	<u>\$ 36,489</u>

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**POLICE FORFEITURE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
REVENUES				
Fines and Forfeits:				
Forfeitures	\$ -	\$ -	\$ -	\$ 163,338
EXPENDITURES				
Current:				
Public Safety:				
Police				
Services and supplies	453	453	-	2,217
Capital outlay	<u>40,000</u>	<u>2,870</u>	<u>37,130</u>	<u>4,964</u>
Total Expenditures	<u>40,453</u>	<u>3,323</u>	<u>37,130</u>	<u>7,181</u>
Net Change in Fund Balance	(40,453)	(3,323)	37,130	156,157
FUND BALANCE, July 1	<u>168,058</u>	<u>168,058</u>	<u>-</u>	<u>11,901</u>
FUND BALANCE, June 30	<u>\$ 127,605</u>	<u>\$ 164,735</u>	<u>\$ 37,130</u>	<u>\$ 168,058</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, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ 55,182	\$ 56,502	\$ 1,320	\$ 39,544
State grants	130	131	1	-
Cash match, not-match	82,050	102,334	20,284	99,263
USDA cash	545	553	8	5,343
USDA food	-	1,318	1,318	807
	<u>137,907</u>	<u>160,838</u>	<u>22,931</u>	<u>144,957</u>
Charges for Services	<u>19,050</u>	<u>20,976</u>	<u>1,926</u>	<u>19,828</u>
Miscellaneous:				
Contributions	250	250	-	-
In-Kind Revenue	-	-	-	219
	<u>250</u>	<u>250</u>	<u>-</u>	<u>219</u>
Total Revenues	<u>157,207</u>	<u>182,064</u>	<u>24,857</u>	<u>165,004</u>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Salaries and wages	112,000	108,216	3,784	100,148
Employee benefits	64,500	57,897	6,603	54,719
Services and supplies	79,100	74,587	4,513	66,592
Capital outlay	5,000	-	5,000	-
Total Expenditures	<u>260,600</u>	<u>240,700</u>	<u>19,900</u>	<u>221,459</u>
Excess (Deficiency) of Revenues Over Expenditures	(103,393)	(58,636)	44,757	(56,455)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	(43,393)	1,364	44,757	(6,455)
FUND BALANCE, July 1	<u>48,319</u>	<u>48,319</u>	<u>-</u>	<u>54,774</u>
FUND BALANCE, June 30	<u>\$ 4,926</u>	<u>\$ 49,683</u>	<u>\$ 44,757</u>	<u>\$ 48,319</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, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
EXPENDITURES				
Debt service:				
Principal	\$ 48,000	\$ 50,219	\$ (2,219)	\$ 48,021
Interest	<u>15,000</u>	<u>12,099</u>	<u>2,901</u>	<u>14,250</u>
Total Expenditures	<u>63,000</u>	<u>62,318</u>	<u>682</u>	<u>62,271</u>
OTHER FINANCING SOURCES				
Transfers in	<u>64,000</u>	<u>64,000</u>	<u>-</u>	<u>64,000</u>
Net Change in Fund Balance	1,000	1,682	682	1,729
FUND BALANCE, July 1	<u>54,634</u>	<u>55,363</u>	<u>729</u>	<u>53,634</u>
FUND BALANCE, June 30	<u><u>\$ 55,634</u></u>	<u><u>\$ 57,045</u></u>	<u><u>\$ 1,411</u></u>	<u><u>\$ 55,363</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, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 24,000	\$ 22,010	\$ (1,990)	\$ 26,661
Miscellaneous:				
Donations	-	25	25	60
Total Revenues	<u>24,000</u>	<u>22,035</u>	<u>(1,965)</u>	<u>26,721</u>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Finance Administration				
Capital Outlay	1,000	33	967	30,710
Public Safety:				
Police				
Capital Outlay	28,000	22,877	5,123	-
Fire and Ambulance				
Capital Outlay	184,000	150,062	33,938	-
Public Works:				
Highway and Streets				
Capital Outlay	<u>90,000</u>	<u>75,181</u>	<u>14,819</u>	<u>62,060</u>
Total Expenditures	<u>303,000</u>	<u>248,153</u>	<u>54,847</u>	<u>92,770</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(279,000)</u>	<u>(226,118)</u>	<u>52,882</u>	<u>(66,049)</u>
<b>OTHER FINANCING (USES)</b>				
Transfers in	360,000	360,000	-	160,000
Transfers out	-	-	-	(105,000)
Total Other Financing Sources (Uses)	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>55,000</u>
Net Change in Fund Balance	81,000	133,882	52,882	(11,049)
FUND BALANCE, July 1	<u>308,848</u>	<u>308,848</u>	<u>-</u>	<u>319,897</u>
FUND BALANCE, June 30	<u>\$ 389,848</u>	<u>\$ 442,730</u>	<u>\$ 52,882</u>	<u>\$ 308,848</u>

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**PERPETUAL CEMETERY CARE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*

	BUDGET	ACTUAL	VARIANCE	2012
<b>REVENUES</b>				
Miscellaneous:				
Contributions from individuals	\$ 925	\$ 1,495	\$ 570	\$ 1,825
Interest income	45	47	2	97
Total Revenues	970	1,542	572	1,922
<b>EXPENDITURES</b>				
Health and Sanitation:				
Services and supplies	-	100	(100)	-
Excess (Deficiency) of Revenues over Expenditures	970	1,442	472	1,922
<b>OTHER FINANCING (USES)</b>				
Transfers out	(1,000)	-	1,000	(3,279)
Net Change in Fund Balance	(30)	1,442	1,472	(1,357)
FUND BALANCE, July 1	30	76,757	76,727	78,114
FUND BALANCE, June 30	\$ -	\$ 78,199	\$ 78,199	\$ 76,757

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL**  
**UTILITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
*(Page 1 of 2)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
<b>OPERATING REVENUES</b>				
Water:				
Utility fees	\$ 399,000	\$ 527,238	\$ 128,238	\$ 423,539
Garbage:				
Utility fees	206,000	221,954	15,954	210,640
Sewer:				
Utility fees	306,000	339,871	33,871	315,806
Street lights:				
Use fees	<u>25,000</u>	<u>28,268</u>	<u>3,268</u>	<u>26,768</u>
Total Operating Revenues	<u>936,000</u>	<u>1,117,331</u>	<u>181,331</u>	<u>976,753</u>
<b>OPERATING EXPENSES</b>				
Water:				
Salaries and wages	150,000	141,402	8,598	131,789
Employee benefits	76,600	71,295	5,305	70,717
Services and supplies	<u>67,500</u>	<u>67,898</u>	<u>(398)</u>	<u>48,105</u>
	<u>294,100</u>	<u>280,595</u>	<u>13,505</u>	<u>250,611</u>
Garbage:				
Services and supplies	<u>71,000</u>	<u>70,413</u>	<u>587</u>	<u>73,337</u>
Sewer:				
Salaries and wages	120,000	93,783	26,217	101,000
Employee benefits	60,400	39,240	21,160	42,950
Services and supplies	<u>53,500</u>	<u>54,876</u>	<u>(1,376)</u>	<u>50,041</u>
	<u>233,900</u>	<u>187,899</u>	<u>46,001</u>	<u>193,991</u>

**CITY OF CARLIN**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL**  
**UTILITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2012)*  
*(Page 2 of 2)*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2012</u>
General:				
Services and supplies	232,000	232,113	(113)	209,712
Depreciation	<u>120,000</u>	<u>120,892</u>	<u>(892)</u>	<u>119,376</u>
	<u>352,000</u>	<u>353,005</u>	<u>(1,005)</u>	<u>329,088</u>
Total Operating Expenses	<u>951,000</u>	<u>891,912</u>	<u>59,088</u>	<u>847,027</u>
Operating Income (Loss)	<u>(15,000)</u>	<u>225,419</u>	<u>240,419</u>	<u>129,726</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and penalties earned	19,000	26,571	7,571	24,788
Miscellaneous income	13,599	9,877	(3,722)	13,907
Interest expense	<u>(5,980)</u>	<u>(5,095)</u>	<u>885</u>	<u>(5,823)</u>
Total Nonoperating Revenues (Expenses)	<u>26,619</u>	<u>31,353</u>	<u>4,734</u>	<u>32,872</u>
Change in Net Position	<u>\$ 11,619</u>	256,772	<u>\$ 245,153</u>	162,598
NET POSITION, July 1		<u>4,334,769</u>		<u>4,172,171</u>
NET POSITION, June 30		<u>\$ 4,591,541</u>		<u>\$ 4,334,769</u>

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## **COMPLIANCE SECTION**

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November XX, 2013.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies (2013-001, 2013-002, 2013-003).

**Compliance and Other Matters**

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

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**Purpose of this Report**

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

*Kaufman, Armstrong & Co.*

Elko, Nevada  
November 27, 2013



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**CITY OF CARLIN  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**Finding 2013-001 - Financial Statement Reporting**

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.
Condition/Cause:	The City requires assistance in preparing financial statements that include required footnotes and government-wide full accrual statements as required by state statute. In addition, one material adjustment was needed to prepare the referenced financial statements.
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 and 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 additional training.

**Finding 2013-002 – City purchasing Policy**

Criteria:	The City purchasing policy requires three written quotes for purchases of \$10,001 to \$24,999.
Condition/Cause:	The City purchased a vehicle for \$11,500 and did not maintain documentation to show whether or not the required three quotes were obtained.
Effect:	The City completed a purchase without adhering to the purchasing policy.
Recommendation:	Personnel responsible for purchasing requests should make every effort to obtain the three written quotes and submit them for filing with the applicable purchase documents.
Management's Response:	City did violate the purchasing policy and all department heads will receive additional training on how to comply with the policy.

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**CITY OF CARLIN  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2013**

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**Finding 2013-003 – Review of Bank Reconciliations**

Criteria:	Review by another person provides an element of control from management override of controls.
Condition/Cause:	The City Manager reconciles various small bank accounts which have not been reviewed by another employee. This could result in misstatements to the financial statements.
Effect:	Controls are weakened without adequate review.
Recommendation:	An outside person, such as the City Clerk, should review these types of reconciliations prepared by the City Manager.
Management's Response:	This will be implemented as time permits.

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**AUDITOR'S COMMENTS**

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**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, 2013**

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Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2012	\$ <u>31,006</u>
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Adjustment of Base:

Base year		
1. Percentage increase in population of local government	0.3%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	<u>6.5%</u>	<u>6.8%</u>

2,108

Adjusted base at June 30, 2013	33,114
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Actual revenue	<u>21,184</u>
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Amount under allowable amount	<u><u>\$ 11,930</u></u>
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**CITY OF CARLIN  
AUDITOR'S COMMENTS  
JUNE 30, 2013**

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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. As noted in Note 2 of the current year financial statements, similar problems were noted during the current year. The City also completed an interfund loan without the required public hearing and formal approval of loan terms. There were no such loans in the current year.

PRIOR YEAR RECOMMENDATIONS

The prior year audit recommendation related to City personnel gaining sufficient expertise in selecting and applying accounting principles to prepare financial statements in accordance with generally accepted accounting principles. See similar comment in finding 2013-001.

CURRENT YEAR RECOMMENDATIONS

We identified internal control items that have been reported as significant deficiencies. See findings 2013-001, 2013-002, and 2013-003 reported on the schedule of findings and responses.