

2012
CITY OF CARLIN
STATE OF NEVADA

ANNUAL REPORT AS REQUIRED PURSUANT TO:

**NEVADA REVISED STATUTES
DEBT MANAGEMENT COMMISSION ACT
NRS 350.013**

**Indebtedness Report
5-Year Capital Improvement Plan
Debt Management Policy
Information on Chief Financial Officer**

INDEBTEDNESS REPORT

FY 2011- 2012

DEBT MANAGEMENT COMMISSION ACT (NRS 350.013)

1. Has your local government issued any new General Obligation Bond issues since **July 1, 2011**? Yes () No (**X**)

If so, amount: \$ _____ Date: ____/____/____

2. Has your local government approved any new Medium-Term Obligation issues since **July 1, 2011**? Yes () No (**X**)

If so, amount: \$ _____ Date: ____/____/____

3. Has your local government updated its debt management policy? (Per NRS 350.013) Yes (**X**) No () N/A ()
(Submit updated policy with Indebtedness Report.)

If not, prepare a statement discussing the following areas:

- A. Discuss the ability of your entity to afford existing and future general obligation debt.
- B. Discuss your entity's capacity to incur future general obligation debt without exceeding the applicable debt limit.
- C. Discuss the general obligation debt per capita of your entity as compared with the Average for such debt of local governments in Nevada.
- D. Discuss general obligation debt of your entity as a percentage of **assessed valuation** of all taxable property within the boundaries of your entity. **(REDBOOK FY 2011- 2012)**
- E. Present a policy statement regarding the manner in which your entity expects to sell its debt.
- F. Discuss the sources of money projected to be available to pay existing and future general obligation debt.
- G. Discuss the operating costs and revenue sources with each project.

4. Has your local government updated its five-year capital improvement plan? Yes (**X**) No () N/A ()
(Submit updated plan with Indebtedness Report.)

5-year plan required. (NRS 350.013, NRS 354.5945 and NRS 354.5947)

Submitted By: **Glenn Trust, City Manager**

(signature)

SCHEDULE OF INDEBTEDNESS AS OF JUNE 30, 2012**CHECK HERE IF YOUR ENTITY HAS NO OUTSTANDING DEBT** _____**GENERAL OBLIGATION BONDS**

1. General obligation		
2. General obligation/revenue	<u>101,889</u>	
3. General obligation special assessment	<u></u>	
Total general obligation bonded debt		<u>101,889</u>

MEDIUM-TERM OBLIGATIONS

1. General Obligation bonds		
2. Negotiable notes or bonds	<u>117,419</u>	
3. Capital lease purchases	<u></u>	
Total medium-term obligation debt		<u>117,419</u>

REVENUE BONDS _____**OTHER DEBT**

1. Capital lease purchases-MTO not required or prior to law change	<u></u>	
2. Mortgages	<u></u>	
3. Warrants	<u></u>	
4. Special Assessments	<u></u>	
5. Other (specify) - USDA 30 yr. Loan, Senior Center -	<u>168,717</u>	
6. Other (specify)	<u></u>	
Total other debt		<u>168,717</u>

TOTAL INDEBTEDNESS _____**388,025**Authorized but unissued general obligation bonds **None**

Note: Please explain and provide documentation for any differences between the amounts reported on this **schedule** and those reported on **Schedule C-1** of your **Final Fiscal Year 2012-2013 budget**.
See explanation on following page.

Explanation Regarding Amounts Differing from FY Budget 2012-2013

None

Entity: **City of Carlin**

SCHEDULE OF FIVE YEAR DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2012

For the next five years, list the total dollar requirement for principal and interest broken down for each type of indebtedness the entity currently has outstanding.

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
G/O Bonds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
G/O Revenue	<u>\$20,398</u>	<u>\$20,398</u>	<u>\$20,398</u>	<u>\$20,398</u>	<u>\$20,398</u>
G/O Special Assessment	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Medium-Term Obligation					
G/O Bonds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Notes/Bonds	<u>\$50,314</u>	<u>\$50,315</u>	<u>\$24,875</u>		
Leases/ Purchases	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue Bonds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Other Lease Purchases	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Mortgages	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Warrants	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Special Assessments	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Other Debt	<u>\$12,100</u>	<u>\$12,100</u>	<u>\$12,100</u>	<u>\$12,100</u>	<u>\$12,100</u>
TOTAL	<u>\$82,812</u>	<u>\$82,813</u>	<u>\$57,373</u>	<u>\$32,498</u>	<u>\$32,498</u>

SCHEDULE OF DEBT REPAYMENT AS OF JUNE 30, 2012

The repayment schedules should start with the payment of principal and interest due **after June 30, 2012** and continue until any particular issue is retired.

See the following loan amortization schedules for:

- 1** **General Obligation Revenue Bond payable to USDA**
- 2** **Medium Term Financing Loan payable to Zion's Bank -
2007**
- 3** **Other Debt - Loan payable to USDA**

Debt Repayment Amortization

Year Ended June 30,	Zion's Bank Police Vehicles, Backhoe & Ambulance		U.S. Department of Agriculture Senior Citizens Facility		U.S. Department of Agriculture Water Line Extension		Total Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	45,523	4,791	4,719	7,381	15,304	5,094	\$65,546	\$17,266
2014	47,579	2,736	4,925	7,175	16,069	4,329	\$68,573	\$14,240
2015	24,317	558	5,141	6,959	16,872	3,526	\$46,330	\$11,043
2016			5,365	6,735	17,716	2,682	\$23,081	\$9,417
2017-2021			30,561	29,939	35,928	2,663	\$66,489	\$32,602
2022-2027			37,857	22,643			\$37,857	\$22,643
2028-2031			46,895	13,605			\$46,895	\$13,605
2032-2034			33,254	2,947			\$33,254	\$2,947
Totals	\$117,419	\$8,085	\$168,717	\$97,384	\$101,889	\$18,294	\$388,025	\$123,763

Entity: City of Carlin

(1) CONTEMPLATED GENERAL OBLIGATION DEBT	(2)	(3)	(4)	(5)	(6)
PURPOSE	TYPE	AMOUNT	TERM	FINAL PYMT DATE	INTEREST RATE
None contemplated for FY 2012-2013					

SPECIAL ELECTIVE TAX					
PURPOSE	TYPE	RATE	ELECTION DATE	EXPIRATION DATE	IMPLEMENTATION DATE
None Contemplated for FY 2012-2013					

5-YEAR CAPITAL IMPROVEMENT PLAN

The City of Carlin will begin the phased construction of a new firehouse during fiscal year 2012-2013. This project is anticipated to span three to five fiscal years. Additionally, ongoing debt service for past capital acquisitions will continue until 2034. (See schedule of Debt Repayment - Amortization Sheet)

The City will also fund several capital improvements to City facilities, capital acquisitions and upgrades to City equipment in the next one to two fiscal years.

Utility Fund capital improvements for the current year include a new bulk water station and replacement of sewer pond pump.

All planned capital improvements and acquisitions will be funded through current revenues to the General fund, Grant Funding and the revenue sources of various Special Revenue funds and not through any increase in property tax rates.

See following CIP 1 form detailing current year and ongoing capital improvements from previous years.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

(Per NRS 354.5945)

ENTITY: City of Carlin

DATE: July 17, 2012

Minimum level of expenditure for items classified as capital assets \$1,500

Minimum level of expenditure for items classified as capital projects \$2,500

Fund:	Utility Fund	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Capital Improvement:	Bulk Water Station	45,000				
Funding Source:	Utility Fund Revenues, primarily bulk water sales to contractors and mines					
Completion Date:	6/30/2013					
Fund Total		45,000	50,314	50,315	24,730	

Fund:	Utility Fund	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Capital Improvement:	Sewer Pond Pump Station- Pump Replacement	12,000				
Funding Source:	Utility Fund Revenues					
Completion Date:	6/30/2013					
Fund Total		12,000				

Fund:	Debt Service Fund	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund Total		12,100	12,100	12,100	12,100	12,100
		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017

Fund:	General Fund					
Capital Improvement:	Court room renovations and sound System upgrades	10,000				
Funding Source:	Court Building Fund Assessments transferred to General Fund	Court Assessments				
Completion Date:	6/30/2013					
Fund Total		10,000				

		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund:	General Fund					
Capital Improvement:	New Library Construction	100,000				
Funding Source:	General fund revenues, Property and Room Tax	Gen Fund Rev, Property & Room Tax				
Completion Date:	6/30/2013					
Fund Total		100,000				

		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund:	General Fund					
Capital Improvement:	Storage shed at Cemetery	1,921				
Funding Source:	Transfer from Cemetery Fund	Cemetery Fund				
Completion Date:	6/30/2013					
Fund Total		1,921				

		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund:	Park and Recreation Fund 12					

Capital Improvement:	Pavilion Cover and electrical upgrades	40,000				
Funding Source:	Park & Recreation Revenues and Room Tax	Park & Recreation Revenues and Room Tax				
Completion Date:	6/30/2013					
Fund Total		40,000				

		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund:	Equestrian Park Fund					
Capital Improvement:	Additional seating, Stair renovation	35,000				
Funding Source:	Park & Recreation Revenues and Room Tax	Park & Recreation Revenues and Room Tax				
Completion Date:	6/30/2013					
Fund Total:		35,000				

		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund:	Capital Projects Fund					
Capital Improvement	Firehouse Phase I Narrowband Radio Upgrades PD Computer upgrade & Pound Street Resurfacing	130,000 84,000 14,000 75,000				
Funding Source: General Fund	Revenues and Property Tax to Capital Projects Fund	General Fund & Property Tax				
Completion Date:	6/30/13					
Fund Total:		303,000				

		FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Fund:	Police Forfeiture Fund 54					
Capital Improvement	Police Dept. Radio Upgrades and software	40,000				
Funding Source: General Fund	Police Forfeitures	Police Forfeitures				
Completion Date:	6/30/13					
Fund Total:		40,000				

List of Funding

Sources:

- Property Tax -
- Gen. Revenues
- Charges for
- Services
- Debt
- Room Tax
- Other** (Please Describe)

DEBT MANAGEMENT POLICY - CITY OF CARLIN, NEVADA

Limitations on Debt Required by Carlin City Charter

The Carlin City Charter, Article VII, Section 7.010 limits debt that may be incurred by the city as follows:

1. The city shall not incur indebtedness in excess of 20 percent of the total assessed valuation of the taxable property within the boundaries of the city.
2. In determining any debt limitation under this section, there shall not be counted as indebtedness:
 - (1) Any revenue bonds, unless the full faith and credit of the city is also pledged to their payment.
 - (2) Any special assessment bonds, although a deficiency in the proceeds of the assessments is required to be paid from the general fund of the city.
 - (3) Any short-term securities issued in anticipation of and payable from property taxes levied for the current fiscal year.

The limitations set by the Carlin City Charter on debt that may be incurred by the city and reflective of the current fiscal year's assessed valuation of taxable property within the city are detailed in the chart that follows:

Assessed Valuation per 2012 -2013 Budget	\$27,945,968
Debt Limitation (maximum allowed debt)	\$ 5,589,194
Outstanding Indebtedness June 30, 2012	\$ 388,025
Debt Limitation net of outstanding indebtedness	\$ 5,201,167

Ability to Afford Existing and Future General Obligation Debt

Sufficient funds are available through the General Fund and the cooperative agreement with Elko County and the City of Elko to pay all current debt. The chart below details sources of funds and payment of outstanding debt.

Description of Debt	Source of Repayment Funds	Annual Amount
General Obligation/Revenue Bond	Cooperative agreement between Carlin, Elko County and City of Elko	Carlin Water System User Fees - \$6,800 Elko County - \$6,799 City of Elko - \$6,799
MTF Loan for Vehicles 2007	Transfer from General Fund to Debt Service Fund	\$50,314
Other Debt - 30 Year USDA Loan for Senior Center	Transfer from General Fund and Capital Project Fund to Debt Service Fund	\$12,100

Capacity to Incur Future Debt without Exceeding Applicable Debt Limits

As of June 30, 2012, the City of Carlin has total outstanding debt in the amount of \$388,025. This figure represents 7% of the maximum allowed under statute (20% of assessed value of property within the City).

Current Total Debt	\$388,025
Assessed Value of Property FY 2011-2012	\$27,945,968
Debt Limit (20% of Assessed Property Value)	\$5,589,194
Excess Debt Limit currently not Used by City	\$5,201,169
Percentage of Debt Limit Unused	93%

General Obligation Debt Payable from Ad Valorem Taxes Per Capita

The General Obligation/Revenue Bond debt (UNR Fire Science Academy Water Line Extension) is paid from user fees and funds pledged to the City of Carlin by Elko County and the City of Elko. This debt is not paid from ad valorem taxes. Elko County and the City of Elko will be repaid through connection fees collected from users that connect to the water line extension in an agreed upon connection area defined in the controlling agreement executed by all three governmental entities.

The Medium Term financed loans and Other Debt loan obligation are paid through transfers from the City's General Fund to the Debt Service Fund. To the extent that the General Fund contains revenue from ad valorem taxes these obligations are partially repaid from local ad valorem taxes.

The chart below details the total anticipated General Fund revenues for FY 2012 - 2013 and the percentage of these revenues that is comprised of ad valorem taxes. The percentage of debt that is paid through these ad valorem taxes along with the cost of debt repayment per capita is also indicated.

Total General Fund Revenues	\$2,027,789
General Fund Revenue from Ad Valorem Taxes Prior FY	\$312,789
Percentage of General Fund Revenue from Ad Valorem Tax	15%
Transfers from General Fund for Debt Service (MTF and Other)	\$64,000
Transfers to Debt Service from Ad Valorem Taxes (15% of General Fund Revenues)	\$9,600
City Population FY 2012 - 2013 from State Demographer	2,376
Per Capita Costs of Debt Service from Ad Valorem Taxes	\$4.04

General Obligation Debt Payable from Ad Valorem Taxes as a Percentage of Assessed Valuation of all Taxable Property within the Boundaries of the Municipality

General Obligation/Revenue Bond debt is not paid from ad valorem taxes (see above). Medium Term Financing and Other long-term debt is paid from transfers from the General Fund to the Debt Service Fund.

The percentage of Medium Term and Other Debt repaid from ad valorem taxes is discussed in the chart below:

Total Transfers from General Fund for Debt Service (MTF and Other)	\$64,000
Transfers to Debt Service from Ad Valorem Taxes (15% of General Fund Revenues)	\$9,600
Assessed Valuation of Property within City Boundaries	\$27,945,968
Ad Valorem Taxes used for Debt Service as a Percentage of Assessed Valuation	.03%

Policy Regarding Manner in Which Municipality Expects to Sell Its Debt

There are no plans to sell any City of Carlin debt during fiscal year 2012-2013. Should a decision be made to do so, the debt will be sold through revenue bonds, medium term financing or other debt. Where possible, grants may be used to reduce or eliminate debt.

Sources of Money Projected to be Available to Pay Existing and Future General Obligation Debt

Existing debt is paid from these previously discussed sources:

General Obligation/Revenue Bond - Paid from City of Carlin user fees and pledged revenue from Elko County and City of Elko.

Medium Term Financing and Other Debt Loan - Paid from intergovernmental tax revenue, fees and ad valorem taxes received into the General Fund and transferred to the Debt Service Fund.

Future Debt will be paid through additional transfers from the General Fund and other appropriate funds to the Debt Service Fund. Where applicable, funding will be obtained through grants or additional General Obligation, Medium Term or Other Debt financing. All additional financing, if any, will be within the statutory debt limits discussed above.

Operational Costs and Revenue Sources for Ensuing 5 Fiscal Years Associated with Each Project Included in the Plan for Capital Improvement, if those costs and revenue are expected to affect the tax rate

All capital projects, operational costs and items included in the current 5 year Capital Improvement Plan

will be funded through the General Fund and current revenue sources of other indicated Funds.

The Capital Improvement Plan includes Medium Term Financing for prior acquisition of new police vehicles, public works equipment and an ambulance, a USDA loan (Other Financing) for construction of the Senior Center and General Obligation Revenue funding of the City's water line extension to the Fire Science Academy. Additionally improvements and renovations are planned for City property, Park and Equestrian Center Facilities, new Library and the Cemetery, as well as required replacement and upgrades to equipment including the computer server and Public Safety Radios. There is no expectation that funding these projects and operations will affect the tax rate.

Summary of Indebtedness Fiscal Year 2012-2013

GENERAL OBLIGATION/REVENUE BONDS

As of June 30, 2012 the City of Carlin has one Revenue Bond outstanding in the amount of \$101,889. The bond obligation is repaid at a rate of \$6,800 by the City of Carlin from user fees paid to the city and from pledged revenue from Elko County and the City of Elko, each of which pay the City of Carlin a maximum sum of \$6,799 per year until the bond and interest are paid in full, or for a maximum period of forty years. This pledged revenue is secured through a cooperative agreement between the City of Carlin, Elko County and the City of Elko, dated January 9, 2002.

See the Bond Details in the chart below:

Payable To	Date Issued	Term	Interest Rate	Original Amount	Annual Payment	Balance Due	Final Payment Date
USDA	04/23/02	40 Years	5.00%	\$350,000	\$20,398	\$101,889	04/01/18

MEDIUM-TERM FINANCING

As of June 30, 2012, the City of Carlin has one Medium-Term Financing obligation as detailed in the chart below:

Purpose	Payable to	Issue Date	Term	Interest Rate	Original Amount	Annual Payment	Balance	Final Payment Date
Purchase of 2 Police vehicles, 1 backhoe & 1 ambulance	Zion's Bank	11/30/07	84 months	4.44%	\$300,000	\$50,314	\$117,419	11/01/14

LEASES, MORTGAGES, WARRANTS & SPECIAL ASSESSMENT BONDS

As of June 30, 2012 the City of Carlin has no outstanding leases, mortgages, warrants or special assessment bonds and does not anticipate any debt of this type during the 2012 - 2013 fiscal year.

OTHER DEBT

As of June 30, 2012 the City of Carlin has one outstanding loan debt classified as "Other Debt" as detailed in the chart below:

Purpose	Payable	Issue	Term	Interest	Original	Annual	Final
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	to	Date		Rate	Amount	Payment	Balance	Payment Date
Construction Of new Senior Citizen Center	USDA	6/30/04	30 Years	4.38%	\$200,000	\$12,100	\$168,717	06/20/2034

INFORMATION REGARDING THE CHIEF FINANCIAL OFFICER

The Chief Financial Officer of the City of Carlin is:

Glenn Trust, City Manager.
City of Carlin
101 South 8th St.
PO Box 787
Carlin, NV 89822
775-754-6354 (Office)
775-754-6912 (Fax)
Email at:
gtrust@cityofcarlin.com

Report Prepared by:

Signature ----- Date -----

Glenn S. Trust
City Manager, City of Carlin

This Annual Report, which includes;

- Indebtedness Report
- 5-Year Capital Improvement Plan
- Debt Management Policy
- Information on the Chief Financial Officer

for the City of Carlin, Nevada was read and reviewed at the July 25, 2012 regularly scheduled City Council Meeting. A motion to approve the Report and Plan was made by Councilperson **Lincoln Litchfield**, seconded by Councilperson **Steven Feasel** and passed by the following vote:

AYES: **Cliff Eklund**
 Donnetta Skinner
 Steven Feasel
 Lee Griswold
 Lincoln Litchfield

NAYS: _____

ABSENT: _____

City of Carlin

Cliff Eklund, Mayor

ATTEST:

LaDawn Lawson / City Clerk