



**CITY OF CARLIN
NEVADA
ANNUAL FINANCIAL REPORT
JUNE 30, 2012**

CITY OF CARLIN
JUNE 30, 2012
TABLE OF CONTENTS

	<u>PAGE NO.</u>
<u>FINANCIAL SECTION</u>	
<u>INDEPENDENT AUDITOR’S REPORT</u>	1 - 2
<u>MANAGEMENT’S DISCUSSION AND ANALYSIS</u>	3 - 8
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government-Wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	14
Proprietary Fund:	
Statement of Net Assets	15
Statement of Revenues, Expenses and Changes in Fund Net Assets	16
Statement of Cash Flows	17 - 18
Notes to Financial Statements	19 - 37
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund	39 - 42
Schedules of Funding Progress – Other Postemployment Benefit Plans	43
<u>SUPPLEMENTARY INFORMATION</u>	
Nonmajor Governmental Funds:	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	45
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Special Revenue Funds:	
Grants Fund	46
Parks and Recreation Fund	47
Municipal Court Building Fund	48
Administrative Assessment Fund	49
Parks and Recreation Fund #2	50
Equestrian Center Fund	51
Police Forfeiture Fund	52
Open Door Senior Citizens Center Fund	53
Debt Service Fund	54
Capital Projects Fund	55
Perpetual Cemetery Care Fund	56

CITY OF CARLIN
JUNE 30, 2012
TABLE OF CONTENTS

PAGE NO.

Proprietary Fund: Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual: Utility Fund	57 - 58
--	---------

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59- 60
Schedule of Findings and Responses	61

AUDITOR'S COMMENTS

Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989	62
Statute Compliance	63
Progress on Prior Year Statute Compliance	63
Prior Year Recommendations	63
Current Year Recommendations	63

FINANCIAL SECTION



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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Carlin, State of Nevada (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and Schedules of Funding Progress - Other Postemployment Benefit Plans on pages 3 through 8 and on pages 38 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 and the Schedules of Funding Progress - Other Postemployment Benefit Plans 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The supplementary information including combining and individual

nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City's basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated November 30, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2011 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements for the year ended June 30, 2011, as a whole.

Kaufman, Armstrong & Co.

Elko, Nevada
November 30, 2012

**CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The Management's Discussion and Analysis (MD&A) is presented to provide the reader with an overview of the financial activity and financial condition of the City of Carlin (City). This document is required by the Governmental Accounting Standards Board (GASB) in statement No. 34 and subsequent Statements No. 37 and No. 38 governing the presentation of the financial statements, MD&A, and note disclosure for state and local governments. The components of the financial statements include:

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

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

Notes to the Financial Statements

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

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

Table 1: Major Features of the Basic Financial Statements

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

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

	Government-wide Financial Statements	Fund Financial Statements		
		Government Funds	Proprietary Funds	Fiduciary Funds
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Types of Asset/Liability Information	All assets and liabilities both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Statement of Net Assets

The largest component, **\$7,282,399**, of the City's net assets reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment and others) less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Table 2: Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current & Other Assets	\$ 4,634,025	\$ 3,812,747	\$ 1,481,132	\$ 1,306,602	\$ 6,115,157	\$ 5,119,349
Capital Assets	4,597,057	4,416,189	3,053,050	3,062,422	7,650,107	7,478,611
Total Assets	9,231,082	8,228,936	4,534,182	4,369,024	13,765,264	12,597,960
Other Liabilities	212,372	307,658	49,987	44,260	262,359	351,918
Long-term Liabilities						
Due w/in one-year	101,136	85,193	28,954	24,061	130,090	109,254
Due in more than one-year	370,476	385,283	120,472	128,532	490,948	513,815
Total Liabilities	683,984	778,134	199,413	196,853	883,397	974,987
Net Assets:						
Invested in capital assets, net of related debt	4,310,840	4,081,951	2,971,559	2,964,318	7,282,399	7,046,269
Restricted	276,059	82,494	20,398	18,360	296,457	100,854
Unrestricted	3,993,203	3,286,357	1,342,812	1,189,493	5,336,015	4,475,850
Total Net Assets	\$ 8,547,098	\$ 7,450,802	\$ 4,334,769	\$ 4,172,171	\$ 12,881,867	\$ 11,622,973

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Changes in Net Assets

Table 3 presents the City's Changes in Net Assets, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net assets of the governmental activities increased by **\$1,096,296** and the net assets of the business-type activities increased by **\$162,598**.

Table 3: Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program Revenues						
Charges for Services	\$ 362,904	\$ 288,045	\$ 976,753	\$ 937,436	\$ 1,339,657	\$ 1,225,481
Operating Grants	200,403	218,081			200,403	218,081
Capital Grants and Contributions	222,995	408,751			222,995	408,751
<i>Total Program Revenues</i>	<u>786,302</u>	<u>914,877</u>	<u>976,753</u>	<u>937,436</u>	<u>1,763,055</u>	<u>1,852,313</u>
General Revenues						
Taxes						
Property	324,387	339,768			324,387	339,768
Room	107,849	103,533			107,849	103,533
Consolidated revenues	1,822,546	1,531,325			1,822,546	1,531,325
Interest/Investments	8,965	11,978	24,788	25,245	33,753	37,223
Gain on sale of assets	64,280	97,659			64,280	97,659
Miscellaneous	263,944	188,189	13,907	12,360	277,851	200,549
<i>Total General Revenues</i>	<u>2,591,971</u>	<u>2,272,452</u>	<u>38,695</u>	<u>37,605</u>	<u>2,630,666</u>	<u>2,310,057</u>
Total Revenues	<u>3,378,273</u>	<u>3,187,329</u>	<u>1,015,448</u>	<u>975,041</u>	<u>4,393,721</u>	<u>4,162,370</u>
Program Expenses						
General Government	588,292	589,018			588,292	589,018
Public Safety	911,724	1,018,679			911,724	1,018,679
Judicial	54,652	52,831			54,652	52,831
Public Works	154,019	207,650			154,019	207,650
Health and Sanitation	85,730	89,241			85,730	89,241
Culture and Recreation	419,439	379,122			419,439	379,122
Community Support	53,871	51,435			53,871	51,435
Water			395,143	388,845	395,143	388,845
Garbage			113,901	109,926	113,901	109,926
Sewer			317,038	317,349	317,038	317,349
Street Lights			26,768	25,528	26,768	25,528
Interest on long-term debt	14,250	16,307			14,250	16,307
Total Program Expenses	<u>2,281,977</u>	<u>2,404,283</u>	<u>852,850</u>	<u>841,648</u>	<u>3,134,827</u>	<u>3,245,931</u>
Change in Net Assets	1,096,296	783,046	162,598	133,393	1,258,894	916,439
Beginning Net Assets	7,450,802	6,667,756	4,172,171	4,038,778	11,622,973	10,706,534
Ending Net Assets	<u>\$ 8,547,098</u>	<u>\$ 7,450,802</u>	<u>\$ 4,334,769</u>	<u>\$ 4,172,171</u>	<u>\$ 12,881,867</u>	<u>\$ 11,622,973</u>

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

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, 2012**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
General Government	\$ 588,292	\$ -	\$ 588,292
Public Safety	911,724	350,946	560,778
Judicial	54,652	-	54,652
Public Works	154,019	215,974	(61,955)
Health and Sanitation	85,730	-	85,730
Culture and Recreation	419,439	219,382	200,057
Community Support	53,871	-	53,871
Interest Long-term Debt	14,250	-	14,250
Totals	\$ 2,281,977	\$ 786,302	\$ 1,495,675

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, for all but the street light program.

**Table 5: Program Expenses and Revenues
For Business-type Activities
For the Fiscal Year Ended June 30, 2012**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Water	\$ 395,143	\$ 423,539	\$ (28,396)
Garbage	113,901	210,640	(96,739)
Sewer	317,038	315,806	1,232
Street Lights	26,768	26,768	-
Totals	\$ 852,850	\$ 976,753	\$ (123,903)

Overall Analysis

Financial highlights for the City during the fiscal year ended June 30, 2012, include the following:

- The City's total Net Assets for all activities increased from \$11,622,973 to \$12,881,867, an increase of \$1,258,894 or ten point eight percent (10.8%).
- This increase is attributable to aggressive expense control by all departments because of uncertain revenue projections. General Fund expenditures were lower than budgeted amounts by \$263,754. General Fund Revenues were also better than projected by \$505,384 due to a conservative estimate of budget

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

revenues during budgeting and an actual increase in Consolidated and Property Taxes. Additionally, sale of land in the industrial park resulted in originally unbudgeted revenues of \$172,154.

- Capital assets added during the year include improvements to City buildings and facilities, the City Park, Equestrian Center and the Phase 3 library construction. Additionally, the Utility Fund added capital assets in the form of a new shop roof and sewer pond fencing.
- The City's Business-type Activities (Utility Fund) operating revenues exceeded operating expenses by \$129,726. 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, 2012, the City's governmental funds reported a combined ending fund balance of \$4,411,427, representing an increase of \$920,277 from the previous fiscal year. The increase across all governmental funds is the result of the following factors:

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

General Fund

Fund balance at June 30, 2012 totaled \$3,303,591 which is an increase of \$774,367 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, 2012 totaled \$1,107,836, which is an increase of \$145,910 from the previous fiscal year. This increase is primarily due to Police Forfeitures during the year. The following table shows the fund balances that are included in the Non-major Governmental Funds, as of June 30, 2012 and the increase/(decrease) from the previous fiscal year:

Fund	Fund Balance June 30, 2012	Increase/(Decrease)
Special Revenue Funds:		
Grants Fund	\$ (21,367)	\$ (18,739)
Municipal Court Building Fund	15,426	1,111
Administrative Assessment Fund	6,138	4,471
Parks and Recreation Fund #1 (Lodging Tax)	386,265	(16,467)
Parks and Recreation Fund #2	27,540	10,660
Equestrian Center Fund	36,489	25,849
Senior Citizens Center Fund	48,319	(6,455)
Debt Service Fund	55,363	1,729
Capital Projects Fund	308,848	(11,049)
Police Forfeiture Fund	168,058	156,157
Perpetual Cemetery Care (Permanent) Fund	76,757	(1,357)
Totals	\$ 1,107,836	\$ 145,910

CITY OF CARLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Note to above table - The Grants Fund ended in a deficit balance. As all expenses charged to the fund were paid from the City's other comingled funds this constituted an unauthorized interfund loan. Interfund loans require approval of the City Council along with approval of the duration of the loan and repayment schedule. The unauthorized interfund loan occurred because federal reimbursement grant funds had not been received prior to the close of the fiscal year. Measures will be taken in the future to either receive grant reimbursements in a more timely manner or to receive Council approval for any required interfund loans.

Proprietary Funds

The City's sole Proprietary Fund, the Utility Fund, had net assets of \$4,334,769 as of June 30, 2012. Operating Revenues exceeded operating expenses by \$129,726.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2012, the City reported \$4,597,055 capital assets for governmental activities and \$3,053,050 in capital assets for business-type activities, net of accumulated depreciation. Increases in Capital assets were the result of Governmental and Utility Fund projects. These include Park improvements, Library, Street Paving, Equestrian Center improvements, Sewer Pond fencing and various building improvements. For additional detail, see Note 4 of the financial statements.

Long-term Debt Activity

Long-term debt outstanding at June 30, 2012 totaled \$388,106. The debt consists of \$117,500 – Police Vehicles, Ambulance, Backhoe; \$168,717 - Senior Center; \$101,889 – Water Line Extension (2/3 of this debt is paid by the City of Elko and Elko County);

Additionally, the City estimates \$87,891 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 revenues that exceeded original budgeted amounts. General Fund revenues were augmented by \$361,886 and General Fund operating and capital outlay expenditures increased by \$358,755.

Other Governmental Funds revenues were augmented in total by \$566,938 to reflect additional available resources. Budgeted expenditures increased by \$282,041.

Requests for Information

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

CITY OF CARLIN
STATEMENT OF NET ASSETS
JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 4,154,327	\$ 1,378,676	\$ 5,533,003
Accounts receivable, net	89,111	82,058	171,169
Due from other governments	193,903	-	193,903
Taxes receivable, delinquent	187,004	-	187,004
Restricted cash and cash equivalents	9,680	20,398	30,078
Capital assets, net of accumulated depreciation	3,725,379	2,974,995	6,700,374
Capital assets, not being depreciated	871,678	78,055	949,733
Total Assets	9,231,082	4,534,182	13,765,264
LIABILITIES			
Accounts payable and other	143,263	23,647	166,910
Accrued salaries and related liabilities	51,521	13,502	65,023
Construction retention	17,588	-	17,588
Customer meter deposits	-	12,838	12,838
Current portion of long-term obligations	101,136	28,954	130,090
Noncurrent liabilities			
Compensated absences	87,891	19,391	107,282
Notes payable	286,217	101,889	388,106
Other postemployment benefits liability	97,504	28,146	125,650
Less: current portion of long-term obligations	(101,136)	(28,954)	(130,090)
Total Liabilities	683,984	199,413	883,397
NET ASSETS			
Invested in capital assets, net of related debt	4,310,840	2,971,559	7,282,399
Restricted for:			
Debt service	9,680	20,398	30,078
Non-expendable perpetual cemetery care	33,004	-	33,004
Perpetual cemetery care	43,753	-	43,753
Administrative court fees (NRS 176)	21,564	-	21,564
Public safety	168,058	-	168,058
Unrestricted	3,993,203	1,342,812	5,336,015
Total Net Assets	\$ 8,547,098	\$ 4,334,769	\$ 12,881,867

CITY OF CARLIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

<u>Functions/Programs</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
Governmental Activities:				
General Government	\$ 588,292	\$ -	\$ -	\$ -
Public Safety	911,724	180,044	-	170,902
Judicial	54,652	-	-	-
Public Works	154,019	113,101	50,780	52,093
Health and Sanitation	85,730	-	-	-
Culture and Recreation	419,439	69,759	149,623	-
Community Support	53,871	-	-	-
Interest on long-term debt	14,250	-	-	-
Total Governmental Activities	2,281,977	362,904	200,403	222,995
Business-type Activities:				
Water	395,143	423,539	-	-
Garbage	113,901	210,640	-	-
Sewer	317,038	315,806	-	-
Street lights	26,768	26,768	-	-
Total Business-type Activities	852,850	976,753	-	-
Total Primary Government	\$ 3,134,827	\$ 1,339,657	\$ 200,403	\$ 222,995

General Revenues:

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

Total General Revenues

Change in Net Assets

Net Assets, July 1

Net Assets, June 30

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (588,292)	\$ -	\$ (588,292)
(560,778)	-	(560,778)
(54,652)	-	(54,652)
61,955	-	61,955
(85,730)	-	(85,730)
(200,057)	-	(200,057)
(53,871)	-	(53,871)
(14,250)	-	(14,250)
<u>(1,495,675)</u>	<u>-</u>	<u>(1,495,675)</u>
-	28,396	28,396
-	96,739	96,739
-	(1,232)	(1,232)
<u>-</u>	<u>-</u>	<u>-</u>
-	123,903	123,903
<u>(1,495,675)</u>	<u>123,903</u>	<u>(1,371,772)</u>
324,387	-	324,387
107,849	-	107,849
1,822,546	-	1,822,546
8,965	24,788	33,753
64,280	-	64,280
<u>263,944</u>	<u>13,907</u>	<u>277,851</u>
<u>2,591,971</u>	<u>38,695</u>	<u>2,630,666</u>
1,096,296	162,598	1,258,894
<u>7,450,802</u>	<u>4,172,171</u>	<u>11,622,973</u>
<u>\$ 8,547,098</u>	<u>\$ 4,334,769</u>	<u>\$ 12,881,867</u>

**CITY OF CARLIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	\$ 3,043,251	\$ 1,120,756	\$ 4,164,007
Receivables, net of allowances			
Accounts	75,105	14,006	89,111
Taxes	187,004	-	187,004
Due from other governments	170,393	23,510	193,903
Due from other funds	8,350	-	8,350
	<u>3,484,103</u>	<u>1,158,272</u>	<u>4,642,375</u>
Total Assets	\$ <u>3,484,103</u>	\$ <u>1,158,272</u>	\$ <u>4,642,375</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 106,281	\$ 36,377	\$ 142,658
Payroll accruals	45,812	5,709	51,521
Due to other funds	-	8,350	8,350
Bail and fines held	605	-	605
Construction retention	17,588	-	17,588
Deferred revenue	10,226	-	10,226
	<u>180,512</u>	<u>50,436</u>	<u>230,948</u>
Total Liabilities	180,512	50,436	230,948
FUND BALANCES (DEFICIT)			
Nonspendable	-	33,004	33,004
Restricted for:			
Debt service	-	9,680	9,680
Perpetual cemetery care	-	43,753	43,753
Judicial Fees (NRS 176)	-	21,564	21,564
Public safety	-	168,058	168,058
Committed for:			
Future community development	-	35,149	35,149
Recreational activities	-	385,157	385,157
Assigned:			
Subsequent year operations	129,691	235,723	365,414
Due to nature of fund	-	197,115	197,115
Unassigned	3,173,900	(21,367)	3,152,533
	<u>3,303,591</u>	<u>1,107,836</u>	<u>4,411,427</u>
Total Fund Balances	3,303,591	1,107,836	4,411,427
	<u>\$ 3,484,103</u>	<u>\$ 1,158,272</u>	<u>\$ 4,642,375</u>
Total Liabilities and Fund Balances	\$ <u>3,484,103</u>	\$ <u>1,158,272</u>	\$ <u>4,642,375</u>

CITY OF CARLIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total fund balance, governmental funds \$ 4,411,427

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

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

Capital assets	9,727,845	
Less accumulated depreciation	<u>(6,002,466)</u>	
	3,725,379	
Capital assets, not being depreciated	<u>871,678</u>	4,597,057

Deferred revenue represents amounts that are not available to fund current expenditures, and therefore, are not reported in the governmental funds.		10,226
---	--	--------

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

Notes payable	(286,217)	
Other post employment benefits	(97,504)	
Compensated absences	<u>(87,891)</u>	<u>(471,612)</u>

Total net assets, governmental activities \$ 8,547,098

CITY OF CARLIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 301,439	\$ 134,510	\$ 435,949
Licenses, permits and fees	113,101	-	113,101
Intergovernmental	1,880,639	372,618	2,253,257
Charges for services	150,383	19,828	170,211
Fines and forfeits	29,661	163,338	192,999
Miscellaneous	86,844	65,345	152,189
	<u>2,562,067</u>	<u>755,639</u>	<u>3,317,706</u>
EXPENDITURES			
Current:			
General government	624,782	-	624,782
Public safety	653,869	199,651	853,520
Judicial	53,403	-	53,403
Public works	80,407	-	80,407
Health and sanitation	82,285	-	82,285
Culture and recreation	71,198	282,888	354,086
Community support	52,640	-	52,640
Capital outlay	198,549	207,640	406,189
Debt service:			
Principal	-	48,021	48,021
Interest	-	14,250	14,250
	<u>1,817,133</u>	<u>752,450</u>	<u>2,569,583</u>
Excess (Deficiency) of Revenues Over Expenditures			
	<u>744,934</u>	<u>3,189</u>	<u>748,123</u>
OTHER FINANCING SOURCE (USES)			
Sale of fixed assets	172,154	-	172,154
Transfer in	104,279	367,000	471,279
Transfer out	(247,000)	(224,279)	(471,279)
	<u>29,433</u>	<u>142,721</u>	<u>172,154</u>
Net Change in Fund Balance			
	774,367	145,910	920,277
FUND BALANCES, July 1	<u>2,529,224</u>	<u>961,926</u>	<u>3,491,150</u>
FUND BALANCES, June 30	<u>\$ 3,303,591</u>	<u>\$ 1,107,836</u>	<u>\$ 4,411,427</u>

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, 2012

Net change in fund balances, governmental funds		\$ 920,277
<p>Amounts reported for governmental activities in the statements of activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are shown in the statement of net assets and allocated over their estimated useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital outlay to purchase capital assets	541,490	
Current depreciation expense	<u>(252,748)</u>	288,742
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.</p>		
		(107,874)
<p>Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds</p>		
		(3,713)
<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		48,021
<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	(13,709)	
Current year change in other post employment benefits	<u>(35,448)</u>	<u>(49,157)</u>
Change in net assets of governmental activities		\$ <u>1,096,296</u>

CITY OF CARLIN
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
	UTILITY FUND
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,378,676
Accounts receivable	82,058
	1,460,734
NONCURRENT ASSETS	
Restricted cash and cash equivalents	20,398
Capital assets, net of accumulated depreciation	2,974,995
Capital assets, not being depreciated	78,055
	3,073,448
Total Assets	4,534,182
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	23,647
Accrued expenses	13,502
Compensated absences, current portion	13,650
Customer meter deposits	12,838
Note payable, current portion	15,304
	78,941
NONCURRENT LIABILITIES	
Compensated absences, net of current portion	5,741
Note payable, net of current portion	86,585
Other post employment benefits	28,146
	120,472
Total Liabilities	199,413
NET ASSETS	
Invested in capital assets, net of related debt	2,971,559
Restricted for debt service	20,398
Unrestricted	1,342,812
Total Net Assets	\$ 4,334,769

See accompanying notes.

CITY OF CARLIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
	UTILITY FUND
OPERATING REVENUES	
Charges for sales and services:	
Water (pledged for revenue bond coverage)	\$ 423,539
Garbage	210,640
Sewer	315,806
Street lights	26,768
Total Operating Revenues	976,753
OPERATING EXPENSES	
Salaries and wages	232,789
Employee benefits	113,667
Services and supplies	171,483
General services and supplies	209,712
Depreciation	119,376
Total Operating Expenses	847,027
Operating Income (Loss)	129,726
NONOPERATING REVENUES (EXPENSES)	
Interest and penalties earned	24,788
Miscellaneous revenues	13,907
Interest expense	(5,823)
Total Nonoperating Revenues (Expenses)	32,872
Change in Net Assets	162,598
NET ASSETS, July 1	4,172,171
NET ASSETS, June 30	\$ 4,334,769

CITY OF CARLIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012
(Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES
	ENTERPRISE FUND
	UTILITY FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 973,154
Cash payments to employees for services and benefits	(335,066)
Cash payments to suppliers for goods and services	(375,763)
Net Cash Provided (Used) by Operating Activities	262,325
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(110,004)
Proceeds from other governmental units	13,907
Loan payments	(14,575)
Interest expense	(5,823)
Net Cash Provided (Used) by Capital and Related Financing Activities	(116,495)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	24,788
Net Increase (Decrease) in Cash and Cash Equivalents	170,618
CASH AND CASH EQUIVALENTS, July 1	1,228,456
CASH AND CASH EQUIVALENTS, June 30	\$ 1,399,074
 CASH AND CASH EQUIVALENTS CONSIST OF:	
Restricted cash and cash equivalents	\$ 20,398
Unrestricted cash and cash equivalents	1,378,676
	\$ 1,399,074

CITY OF CARLIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012
(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>129,726</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	119,376
Change in assets and liabilities:	
(Increase) decrease in	
Accounts receivable	(3,912)
Increase (decrease) in	
Accounts payable	6,610
Accrued expenses	(18)
Meter deposits	313
Other post employment benefits liability	<u>10,230</u>
Total Adjustments	<u>132,599</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>262,325</u></u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

**1. Summary of
Significant
Accounting
Policies**

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

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing these accounting and financial principles. In the government-wide and Proprietary Fund Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued before November 30, 1989, have been applied to the extent that those pronouncements do not conflict with or contradict GASB pronouncements. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

The statement of net assets presents the consolidated financial position of the City at year-end in separate columns, for both governmental and business-type activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to patrons who use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and revenues not properly included among program revenues are

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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 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

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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.

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

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Taxation. The City staff use the following procedures to establish, modify, and control the budgetary information that is included in these financial statements.

- a. On or before April 15, the Carlin City Council files a tentative budget with the Nevada Department of Taxation for all funds for the fiscal year beginning the following July 1. The tentative budget is prepared by fund, function and department and includes proposed expenditures and the means of financing them.
- b. Public budget hearings on the tentative budget are held on the third Tuesday in May prior to the adoption of the budget to obtain taxpayer comments.
- c. Prior to June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the majority vote of the Council. The final budget must then be forwarded to the Nevada Department of Taxation for final approval. The above dates may be adjusted as necessary during legislative years.
- d. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year, however encumbrance accounting is not utilized. All appropriations lapse at the end of the fiscal year.
- e. The appropriated budget amounts may be transferred between functions, funds, or contingency accounts if the transfer does not increase the total appropriations for fiscal year amounts subject to advisement of the Council at the next subsequent meeting and must be recorded in the minutes of the meeting. Budget augmentations and amendments in excess of original budgetary amounts require prior approval of the City Council following a scheduled and noticed public hearing.
- f. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts reflected in the accompanying financial statements recognize budget amendments made during the year in accordance with the above procedures.
- g. In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various functions of the 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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

Cash and Investments

For purposes of the statement of cash flows, the City considers all time deposits, certificates of deposit, and all highly liquid investments, generally with original maturities of three months or less to be cash equivalents.

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

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

- United States bonds and debentures, bills and notes of the United States Treasury, or obligations of the United States or a corporation sponsored by the government maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Negotiable certificates of deposit from commercial banks, insured credit unions or insured savings and loan associations.
- State of Nevada Local Government Pooled Investment Fund.
- Certain securities issued by local governments of the State of Nevada.
- Certain "AAA" rated money market mutual funds that invest in federal securities.
- 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 \$125,669, utility billings \$1,741.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Inventories

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

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are recorded in the government-wide 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 Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

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

Compensated Absences

Employees may accumulate unused vacation time within certain limits. Unused vacation time is paid to the employee after his/her anniversary date. After five years of employment, employees will be paid for sick leave up to 480 hours at one-fourth of the regular rate of pay at separation from service. If employment termination is due to death, any unused sick leave will be paid at the regular rate of pay. Accumulated costs for unused vacation pay and sick leave are recognized currently for those retiring prior to year end. 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 OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

City funds the benefit on a current basis and, as of June 30, 2012, had no retirees utilizing the benefit. The City had no cost associated with the above benefit for the year ending June 30, 2012.

In-kind Revenues and Expenses

In-kind revenue and expenses are recorded at fair market value of the property contributed or services rendered. The fair market value has been determined by the organization or company providing the property or service according to the normal charges for such property or service.

Fund Balance/Net Assets

Government-wide Financial Statements:

The government-wide Statement of Net Assets utilizes a net asset presentation. Net assets are categorized as investment in capital assets, net of related debt, restricted and unrestricted. 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:

- Nondisposable – 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. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. Summary of Significant Accounting Policies (Continued)

Risk Management

The City, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters. The City assesses these risks and utilizes risk management provided through the Nevada Public Agency Insurance Pool (POOL) created through an inter-local cooperative agreement by participating Nevada governments. The City participated in Agency programs designed to reduce risk loss by governments. Members pay an annual premium and specific deductibles, as necessary, to POOL for its general insurance coverage. POOL is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per event and a \$13,000,000 general aggregate per member. POOL obtains independent coverage for insured events in excess of the \$200,000 limit and claims have not exceeded these amounts during the previous three years.

The City also pays premiums based on payroll costs to the Public Agency Compensation Trust (PACT) 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>
General Fund	Culture and Recreation	\$ 19,906
Administrative		
Assessment	Public Safety	131
Capital Projects	General Government	10,710

An apparent violation of NRS 354.6118 occurred when the City expended grant funds prior to requesting reimbursement. This resulted in deficit cash balances, in effect an interfund loan from the General Fund without the required public hearing and formal approval of loan terms.

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

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

3. Cash and Investments (Continued)

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 \$5,563,081 and the bank balance was \$5,742,662. 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.

Cash held by the City as of June 30, 2012 are allocated to the various funds as follows:

Major governmental funds	\$ 3,043,251
Nonmajor governmental funds	1,120,756
Business-type activities	<u>1,399,074</u>
Total Cash and Investments	<u>\$ 5,563,081</u>

4. Capital Assets

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities				
Capital assets, being depreciated:				
Buildings	\$ 1,988,778	\$ 238,039	\$ -	\$ 2,226,817
Office equipment	106,899	7,140	-	114,039
Other equipment	1,518,480	107,858	-	1,626,338
Vehicles	1,894,377	5,178	(91,500)	1,808,055
Infrastructure	<u>3,868,887</u>	<u>83,707</u>	<u>-</u>	<u>3,952,594</u>
	<u>9,377,421</u>	<u>441,922</u>	<u>(91,500)</u>	<u>9,727,843</u>
Less: Accumulated Depreciation for:				
Buildings	(586,862)	(43,411)	-	(630,273)
Office equipment	(98,289)	(640)	-	(98,929)
Other equipment	(940,584)	(59,758)	-	(1,000,342)
Vehicles	(1,284,027)	(72,310)	91,500	(1,264,837)
Infrastructure	<u>(2,931,456)</u>	<u>(76,629)</u>	<u>-</u>	<u>(3,008,085)</u>
	<u>(5,841,218)</u>	<u>(252,748)</u>	<u>91,500</u>	<u>(6,002,466)</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

4. Capital Assets (Continued)	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Total capital assets, being depreciated, net	3,536,203	189,174	-	3,725,377
Capital assets, not being depreciated:				
Land	879,986	99,566	(107,874)	871,678
Governmental activities capital assets, net	<u>\$ 4,416,189</u>	<u>\$ 288,740</u>	<u>\$(107,874)</u>	<u>\$ 4,597,055</u>
Business-type Activities				
Capital assets, being depreciated:				
Buildings	\$ 270,774	\$ 21,388	\$ -	\$ 292,162
Office equipment	16,444	3,028	-	19,472
Other equipment	311,698	15,588	-	327,286
Vehicles	428,372	-	(3,827)	424,545
Infrastructure	5,819,671	70,000	-	5,889,671
	<u>6,846,959</u>	<u>110,004</u>	<u>(3,827)</u>	<u>6,953,136</u>
Less: Accumulated Depreciation for:				
Buildings	(31,106)	(6,872)	-	(37,978)
Office equipment	(16,444)	(2)	-	(16,446)
Other equipment	(293,467)	(4,005)	-	(297,472)
Vehicles	(428,372)	-	3,827	(424,545)
Infrastructure	(3,093,203)	(108,497)	-	(3,201,700)
	<u>(3,862,592)</u>	<u>(119,376)</u>	<u>3,827</u>	<u>(3,978,141)</u>
Total capital assets, being depreciated, net	<u>2,984,367</u>	<u>(9,372)</u>	<u>-</u>	<u>2,974,995</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>\$ 3,062,422</u>	<u>\$ (9,372)</u>	<u>\$ -</u>	<u>\$ 3,053,050</u>

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

Governmental activities:	
General government:	\$ 13,851
Public safety	69,729
Public works	106,036
Health and sanitation	1,520
Culture and recreation	61,612
Total depreciation expense – governmental activities	<u>\$ 252,748</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

4. Capital Assets (Continued)	Business-type activities:	
	Water	\$ 55,077
	Sewer	<u>64,299</u>
	Total depreciation expense – business-type activities	<u>\$ 119,376</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 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 \$79,216 since the cooperative agreement was put into place. The City received no pledged revenues in the year ended June 30, 2012.

6. Long-Term Liabilities	Long-term debt as of June 30, 2012, consisted of the following:	
	Governmental Activities:	Balance, June 30
	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.	<u>\$ 117,500</u>
	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.	<u>168,717</u>
		286,217

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

6. Long-Term Liabilities (Continued)

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).	101,889
Total Notes Payable	\$ 388,106

The governmental activities notes will be repaid by the Debt Service Fund. The maturity of the notes payable for the years after June 30, 2012, based upon present arrangements, is as follows:

Year Ended June 30,	Governmental Activities			
	Nevada Bank & Trust Police Vehicles, Backhoe & Ambulance		U.S. Department of Agriculture, Senior Citizens Facility	
	Principal	Interest	Principal	Interest
2013	\$ 45,523	\$ 4,791	\$ 4,719	\$ 7,381
2014	47,579	2,736	4,925	7,175
2015	24,398	558	5,141	6,959
2016	-	-	5,365	6,735
2017	-	-	5,600	6,500
2018-2022	-	-	31,898	28,602
2023-2027	-	-	39,513	20,987
2028-2032	-	-	48,947	11,553
2033-2034	-	-	22,609	1,493
Total	\$ 117,500	\$ 8,085	\$ 168,717	\$ 97,385

Changes in Long-Term Liabilities:

	Balance July 1	Additions
Governmental Activities:		
Compensated absences	\$ 74,182	\$ 56,665
Notes payable	334,238	-
Total	\$ 408,420	\$ 56,665
Business-Type Activities:		
Compensated absences	\$ 18,213	\$ 11,724
Notes payable	116,464	-
Total	\$ 134,677	\$ 11,724

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 2011-2012 of \$27,962,172 the City's debt limit would be \$5,592,434. As of June 30, 2012, the City has \$388,106 total debt outstanding, thus leaving excess debt capacity.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Business-Type Activities

U.S. Department of Agriculture, Water Line Extension		Total Notes Payable	
Principal	Interest	Principal	Interest
\$ 15,304	\$ 5,094	\$ 65,546	\$ 17,266
16,069	4,329	68,573	14,240
16,872	3,526	46,411	11,043
17,716	2,682	23,081	9,417
18,602	1,796	24,202	8,296
17,326	866	49,224	29,468
-	-	39,513	20,987
-	-	48,947	11,553
-	-	22,609	1,493
<u>\$ 101,889</u>	<u>\$ 18,293</u>	<u>\$ 388,106</u>	<u>\$ 123,763</u>

Reductions	Balance June 30	Amount Due Within One Year
\$ 42,956	\$ 87,891	\$ 50,894
48,021	286,217	50,242
<u>\$ 90,977</u>	<u>\$ 374,108</u>	<u>\$ 101,136</u>
\$ 10,546	\$ 19,391	\$ 13,650
14,575	101,889	15,304
<u>\$ 25,121</u>	<u>\$ 121,280</u>	<u>\$ 28,954</u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 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, 2012, 2011, and 2010, were \$255,428, \$218,355, and \$214,271, respectively, equal to the required contributions for the each year. The contributions rate were for the years ended June 2012, 2011 and 2010 were 23.75%, 21.50%, and 21.50%, respectively, for regular employees, 39.75%, 37.00%, and 37.00%, respectively, for police and fire employees under the employer paid plan, 24.5% for 2012 and 22.50% for 2011 and 2010 for volunteer fire fighters, and 12.25% for 2012 and 11.25% for 2011 and 2010 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 assets 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 assets 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, 2012 for the water line extension and Carlin Senior Center are currently \$20,398 and \$9,680, 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.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

**8. Fund Equity
(Continued)**

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 (two percent of room tax collected starting December 11, 2008, and one percent prior to December 11, 2008) for future projects that will enhance the community.

Commitments of net assets of Enterprise Funds are created by increases in assets to be held for capital improvements. Some increases result from specific user charges imposed by the City. 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, 2011	Net Change	Balance June 30, 2012
Water system	\$ 288,711	\$ 3,627	\$292,338
Water capital improvement	16,736	1,000	17,736
Sewer capital improvement	203,176	2,000	205,176

**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, 2012 are as follows:

	Transfer In	Transfer Out	Net
Transfers:			
General	\$ 104,279	\$ (247,000)	\$ (142,721)
Nonmajor Governmental Funds:			
Parks and Recreation	-	(115,000)	(115,000)
Parks and Recreation #2	53,000	-	53,000
Equestrian Center	40,000	-	40,000
Open Door Senior Citizens Center	50,000	-	50,000
Administrative Assessments	-	(1,000)	(1,000)
Debt Service	64,000	-	64,000
Capital Projects	160,000	(105,000)	55,000
Cemetery Care	-	(3,279)	(3,279)
Total	\$ 471,279	\$ (471,279)	\$ -

The General Fund, Capital Projects, and Parks and Recreation funds 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 Perpetual Care Cemetery fund transferred funds to the General fund for cemetery care expenditures.

The General Fund also advanced funds to the Grants Fund in the amount of \$8,350 to cover expenditures under reimbursement grants.

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

**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, 2012 is provided for the water service as follows:

	<u>Water Operations</u>
Condensed Statement of Net Assets:	
Current assets	\$ 620,346
Capital assets, net of accumulated depreciation	<u>1,595,557</u>
Total assets	<u>2,215,903</u>
Current liabilities	43,789
Noncurrent liabilities	<u>86,585</u>
Total liabilities	<u>130,374</u>
Net assets:	
Invested in capital assets, net of related debt	1,493,668
Restricted for debt service	20,398
Unrestricted	<u>571,463</u>
Total net assets	<u><u>\$ 2,085,529</u></u>
Condensed Statement of Activities:	
Operating revenues:	
Charges for services	<u>\$ 423,538</u>
Operating expenses:	
Depreciation	55,075
Other operating expenses	<u>336,000</u>
Total operating expenses	<u>391,075</u>
Operating income	<u>32,463</u>
Nonoperating revenue (expense):	
Interest income	10,976
Interest expense	<u>(5,823)</u>
Total nonoperating revenue/(expense)	<u>5,153</u>
Change in net assets	37,615
Beginning net assets	<u>2,047,914</u>
Ending net assets	<u><u>\$ 2,085,529</u></u>

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Condensed Statement of Cash Flows:	
Net cash provided by:	
Operating activities:	\$ 24,629
Capital and related financing activities	(40,004)
Investing activities	<u>5,153</u>
Net Decrease in Cash	(10,223)
Beginning Cash	<u>594,987</u>
Ending Cash	<u>\$ 584,764</u>

**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, 2012, one retiree was 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, 2012, ten 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 \$3,637. 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

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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, 2012, retirees qualified for a subsidy of \$105 at five years of service and \$575 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 2012, the City contributed \$12,752 to the plan.

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	6/30/12	\$ 36,745	\$ 3,637	9.87%	\$ 85,533
CEHBP	6/30/11	34,403	7,590	22.06%	52,425
CEHBP	6/30/10	32,159	6,547	20.36%	25,612
PEBP	6/30/12	25,322	12,752	49.29%	40,117
PEBP	6/30/11	24,784	12,034	48.56%	27,547
PEBP	6/30/10	24,171	9,374	38.78%	14,797
Combined	6/30/12	62,067	16,389	26.13%	125,650
Combined	6/30/11	59,187	19,624	33.16%	79,972
Combined	6/30/10	56,330	15,921	28.26%	40,409

Fiscal year 2010 was the City's first year of prospective implementation of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*; therefore, prior year information is unavailable.

The net OPEB obligation (NOPEBO) as of June 30, 2012, was calculated as follows:

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

11. Post Employment Healthcare Plan (Continued)	CEHBP	PEBP	Total
Annual required contribution	\$ 36,860	\$ 25,871	\$ 62,731
Interest on net OPEB obligation	2,097	1,102	3,199
Adjustment to annual required contribution	(2,212)	(1,651)	(3,863)
Annual OPEB cost (expense)	36,745	25,322	62,067
Contributions made	3,637	12,752	16,389
Change in net OPEB obligation	33,108	12,570	45,678
Net OPEB obligation, beginning of year	52,425	27,547	79,972
Net OPEB obligation, end of year	<u>\$ 85,533</u>	<u>\$ 40,117</u>	<u>\$ 125,650</u>

Funded Status and Funding Progress: The funded status of the plans as of June 30, 2010 was as follows:

	CEHBP	PEBP	Total
Accrued actuarial liability (a)	\$ 199,145	\$ 434,682	\$ 633,827
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a) – (b)	<u>\$ 199,145</u>	<u>\$ 434,682</u>	<u>\$ 633,827</u>
Funded Ratio (b) / (a)	0.00%	0.00%	
Covered payroll (c)	895,024	N/A	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c)	22.25%	\$ 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, 2010 actuarial valuation were as follows:

CITY OF CARLIN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

11. Post Employment Healthcare Plan (Continued)		CEHBP	PEBP
	Actuarial valuation date	6/30/10	6/30/10
	Actuarial cost method	Entry age normal cost	Entry age normal cost
	Amortization method	Level % of payroll	Level dollar
	Amortization period	30 years (open)	30 years (closed)
	Asset valuation method	Market value	Market value
	Actuarial Assumptions:		
	Investment rate of return	4%	4%
	Projected salary increase	4%	4%
	Healthcare inflation rate*	8.5%	8.5%
	PEBP subsidy inflation rate**		8.5%
	* Decreasing 1% each year until ultimate trend rate of 5% is reached in 2014		
	**Declining annually until ultimate trend rate of 5% is reached in 2014		

12. Subsequent Events

After year end, the City approved three sales of City-owned land for \$981,000 plus improvements. Land is to be developed into commercial property.

The City approved purchase of equipment \$28,179; contract for architectural and engineering services \$85,700; and approved entering into a cooperative agreement with the Nevada Department of Transportation (NDOT) for improvements to SR766 with equal cost sharing. The City's portion of the NDOT agreement is to be paid by the developer up to \$481,658.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 1 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2011
REVENUES					
Taxes:					
Ad valorem taxes	\$ 294,930	\$ 300,000	\$ 301,439	\$ 1,439	\$ 314,770
Licenses, Permits and Fees:					
Franchise fees	20,000	16,000	16,360	360	20,005
Business licenses	17,600	20,000	19,185	(815)	16,187
Liquor licenses	4,000	4,600	4,890	290	4,865
Local gaming licenses	6,000	6,700	8,229	1,529	6,920
Animal licenses	2,000	2,600	3,176	576	804
Building permits	20,000	46,000	51,428	5,428	31,347
Other permits and fees	2,000	7,300	9,833	2,533	5,005
	<u>71,600</u>	<u>103,200</u>	<u>113,101</u>	<u>9,901</u>	<u>85,133</u>
Intergovernmental:					
Consolidated revenues	1,300,000	1,370,000	1,822,546	452,546	1,531,325
Motor vehicle fuel tax	50,000	42,000	50,780	8,780	50,585
Share of county gaming license	5,000	6,000	7,313	1,313	5,062
	<u>1,355,000</u>	<u>1,418,000</u>	<u>1,880,639</u>	<u>462,639</u>	<u>1,586,972</u>
Charges for Services:					
Ambulance charges	80,000	111,000	132,439	21,439	91,724
Ambulance supplies	7,500	14,000	17,944	3,944	12,077
Other	2,000	-	-	-	-
	<u>89,500</u>	<u>125,000</u>	<u>150,383</u>	<u>25,383</u>	<u>103,801</u>
Fines and Forfeits:					
Court fines and fees	12,000	15,000	17,685	2,685	21,759
Animal fines and fees	2,000	1,600	1,836	236	4,467
Other	-	10,030	10,140	110	7,844
	<u>14,000</u>	<u>26,630</u>	<u>29,661</u>	<u>3,031</u>	<u>34,070</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 2 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2011
	ORIGINAL	FINAL		VARIANCE	
Miscellaneous:					
Interest income	17,000	11,000	8,868	(2,132)	11,845
Other income	8,000	4,333	4,888	555	6,730
Sales and rentals	-	1,500	1,658	158	2,527
Leases and contracts	16,000	12,020	15,814	3,794	14,131
Local grants	-	55,000	55,616	616	1,000
	<u>41,000</u>	<u>83,853</u>	<u>86,844</u>	<u>2,991</u>	<u>36,233</u>
Total Revenues	<u>1,866,030</u>	<u>2,056,683</u>	<u>2,562,067</u>	<u>505,384</u>	<u>2,160,979</u>
EXPENDITURES					
Current:					
General Government:					
Finance Administration					
Salaries and wages	86,500	97,000	94,965	2,035	84,495
Employee benefits	28,500	35,000	29,137	5,863	22,991
Services and supplies	11,250	13,250	12,654	596	9,316
Capital outlay	10,000	10,000	4,718	5,282	22,058
	<u>136,250</u>	<u>155,250</u>	<u>141,474</u>	<u>13,776</u>	<u>138,860</u>
Legislative					
Salaries and wages	10,500	10,500	9,897	603	9,537
Employee benefits	5,500	8,000	7,702	298	5,684
Services and supplies	2,300	4,800	4,235	565	1,634
	<u>18,300</u>	<u>23,300</u>	<u>21,834</u>	<u>1,466</u>	<u>16,855</u>
Other					
Services and supplies	<u>339,700</u>	<u>401,716</u>	<u>363,390</u>	<u>38,326</u>	<u>350,547</u>
City Manager					
Salaries and wages	71,310	73,000	70,605	2,395	70,224
Employee benefits	26,800	30,000	31,258	(1,258)	28,827
Services and supplies	1,900	3,400	939	2,461	1,554
Capital Outlay	-	10,000	9,002	998	-
	<u>100,010</u>	<u>116,400</u>	<u>111,804</u>	<u>4,596</u>	<u>100,605</u>
Total General Government	<u>594,260</u>	<u>696,666</u>	<u>638,502</u>	<u>58,164</u>	<u>606,867</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 3 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2011
Public Safety:					
Police					
Salaries and wages	330,000	330,000	293,452	36,548	319,370
Employee benefits	197,900	192,000	153,018	38,982	172,287
Services and supplies	79,200	76,600	63,969	12,631	66,602
Capital outlay	-	5,667	5,667	-	-
	<u>607,100</u>	<u>604,267</u>	<u>516,106</u>	<u>88,161</u>	<u>558,259</u>
Fire and Ambulance					
Salaries	38,000	44,000	43,947	53	35,854
Employee benefits	32,000	30,000	22,359	7,641	21,465
Services and supplies	69,300	82,200	77,124	5,076	61,417
Capital outlay	-	44,000	-	44,000	-
	<u>139,300</u>	<u>200,200</u>	<u>143,430</u>	<u>56,770</u>	<u>118,736</u>
Total Public Safety	<u>746,400</u>	<u>804,467</u>	<u>659,536</u>	<u>144,931</u>	<u>676,995</u>
Judicial:					
Municipal Court					
Salaries and wages	39,200	41,000	37,616	3,384	36,348
Employee benefits	25,500	26,000	13,840	12,160	15,349
Services and supplies	2,450	2,450	1,947	503	572
Total Judicial	<u>67,150</u>	<u>69,450</u>	<u>53,403</u>	<u>16,047</u>	<u>52,269</u>
Public Works:					
Highways and Streets					
Salaries and wages	30,000	30,000	29,044	956	27,917
Employee benefits	17,675	18,175	17,057	1,118	16,790
Services and supplies	47,250	48,000	34,306	13,694	52,513
Total Public Works	<u>94,925</u>	<u>96,175</u>	<u>80,407</u>	<u>15,768</u>	<u>97,220</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 4 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	2011
	ORIGINAL	FINAL		VARIANCE	
Health and Sanitation:					
Public Health Administration					
Services and supplies	7,500	29,000	7,020	21,980	14,040
Cemetery					
Salaries and wages	49,000	50,000	49,392	608	46,218
Employee benefits	22,975	25,175	22,917	2,258	21,348
Services and supplies	3,500	3,500	2,956	544	4,732
Capital Outlay	5,200	3,279	3,279	-	-
	<u>80,675</u>	<u>81,954</u>	<u>78,544</u>	<u>3,410</u>	<u>72,298</u>
Total Health and Sanitation	<u>88,175</u>	<u>110,954</u>	<u>85,564</u>	<u>25,390</u>	<u>86,338</u>
Culture and Recreation:					
Parks					
Salaries and wages	47,500	48,000	44,552	3,448	46,126
Employee benefits	16,622	23,175	21,182	1,993	13,378
Services and supplies	4,000	4,500	3,861	639	8,288
Capital outlay	-	-	-	-	2,562
	<u>68,122</u>	<u>75,675</u>	<u>69,595</u>	<u>6,080</u>	<u>70,354</u>
Library					
Services and supplies	1,500	1,500	1,603	(103)	1,272
Capital outlay	100,000	150,000	175,883	(25,883)	85,896
	<u>101,500</u>	<u>151,500</u>	<u>177,486</u>	<u>(25,986)</u>	<u>87,168</u>
Total Culture and Recreation	<u>169,622</u>	<u>227,175</u>	<u>247,081</u>	<u>(19,906)</u>	<u>157,522</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 5 of 5)

	BUDGETED AMOUNTS		ACTUAL	FINAL BUDGET	
	ORIGINAL	FINAL		VARIANCE	2011
Community Support:					
Economic Development					
Salaries and wages	34,700	35,000	33,835	1,165	32,613
Employee benefits	18,900	20,000	18,805	1,195	17,729
Services and supplies	1,000	1,000	-	1,000	545
Total Community Support	<u>54,600</u>	<u>56,000</u>	<u>52,640</u>	<u>3,360</u>	<u>50,887</u>
Contingency	<u>20,000</u>	<u>20,000</u>	-	20,000	-
Total Expenditures	<u>1,835,132</u>	<u>2,080,887</u>	<u>1,817,133</u>	<u>263,754</u>	<u>1,728,098</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>30,898</u>	<u>(24,204)</u>	<u>744,934</u>	<u>769,138</u>	<u>432,881</u>
OTHER FINANCING SOURCES (USES)					
Sale of fixed assets	-	172,154	172,154	-	100,000
Transfers in:					
Grants	-	-	-	-	45,000
Parks and Recreation	25,000	25,000	25,000	-	85,896
Administrative Assessment	-	1,000	1,000	-	-
Capital Projects	75,000	75,000	75,000	-	-
Perpetual Cemetery Care	5,200	3,279	3,279	-	-
Ambulance Membership	-	-	-	-	160
Unemployment	-	-	-	-	2,087
Transfers out:					
Parks and Recreation #2	-	(3,000)	(3,000)	-	-
Open Door Senior Citizens Center	(50,000)	(50,000)	(50,000)	-	(57,000)
Debt Service	(34,000)	(34,000)	(34,000)	-	(34,000)
Capital Projects	<u>(50,000)</u>	<u>(160,000)</u>	<u>(160,000)</u>	-	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>(28,800)</u>	<u>29,433</u>	<u>29,433</u>	-	<u>92,143</u>
Net Change in Fund Balance	2,098	5,229	774,367	769,138	525,024
FUND BALANCE, July 1	<u>2,299,452</u>	<u>2,529,224</u>	<u>2,529,224</u>	-	<u>2,004,200</u>
FUND BALANCE, June 30	<u>\$ 2,301,550</u>	<u>\$ 2,534,453</u>	<u>\$ 3,303,591</u>	<u>\$ 769,138</u>	<u>\$ 2,529,224</u>

CITY OF CARLIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFIT PLANS
JUNE 30, 2012

	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	6/30/10	\$ -	\$ 199,145	\$ 199,145	0.00%	\$ 895,024	22.25%
PEBP	6/30/10	-	434,682	434,682	0.00%	N/A *	N/A

Note - The information provided above is shown prospectively as of June 30, 2010. Multiyear trend information will be provided as it becomes available in future periods.

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

SUPPLEMENTARY INFORMATION

CITY OF CARLIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

SPECIAL REVENUE FUNDS

	MUNICIPAL				
	GRANTS FUND	PARKS AND RECREATION FUND	COURT BUILDING FUND	ADMINISTRATIVE ASSESSMENT FUND	PARKS AND RECREATION FUND #2
ASSETS					
Cash and investments	\$ -	\$ 377,261	\$ 15,286	\$ 1,276	\$ 37,234
Accounts receivable, net	-	9,004	140	4,862	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 386,265</u>	<u>\$ 15,426</u>	<u>\$ 6,138</u>	<u>\$ 37,234</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 13,017	\$ -	\$ -	\$ -	\$ 9,694
Payroll accruals	-	-	-	-	-
Due to other funds	8,350	-	-	-	-
Total Liabilities	<u>21,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,694</u>
FUND BALANCE (DEFICIT)					
Nonspendable	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Perpetual cemetery care	-	-	-	-	-
Judicial Fees (NRS 176)	-	-	15,426	6,138	-
Public safety	-	-	-	-	-
Committed for:					
Future community development	-	35,149	-	-	-
Recreational activities	-	351,116	-	-	27,540
Assigned:					
Subsequent year operations	-	-	-	-	-
Due to nature of fund	-	-	-	-	-
Unassigned	(21,367)	-	-	-	-
Total Fund Balance	<u>(21,367)</u>	<u>386,265</u>	<u>15,426</u>	<u>6,138</u>	<u>27,540</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 386,265</u>	<u>\$ 15,426</u>	<u>\$ 6,138</u>	<u>\$ 37,234</u>

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 2012
\$ 37,233	\$ 173,022	\$ 41,594	\$ 55,363	\$ 305,730	\$ 76,757	\$ 1,120,756
-	-	-	-	-	-	14,006
-	-	15,665	-	7,845	-	23,510
<u>\$ 37,233</u>	<u>\$ 173,022</u>	<u>\$ 57,259</u>	<u>\$ 55,363</u>	<u>\$ 313,575</u>	<u>\$ 76,757</u>	<u>\$ 1,158,272</u>
\$ 744	\$ 4,964	\$ 3,231	\$ -	\$ 4,727	\$ -	\$ 36,377
-	-	5,709	-	-	-	5,709
-	-	-	-	-	-	8,350
<u>744</u>	<u>4,964</u>	<u>8,940</u>	<u>-</u>	<u>4,727</u>	<u>-</u>	<u>50,436</u>
-	-	-	-	-	33,004	33,004
-	-	-	9,680	-	-	9,680
-	-	-	-	-	43,753	43,753
-	-	-	-	-	-	21,564
-	168,058	-	-	-	-	168,058
-	-	-	-	-	-	35,149
6,501	-	-	-	-	-	385,157
-	-	7,723	-	228,000	-	235,723
29,988	-	40,596	45,683	80,848	-	197,115
-	-	-	-	-	-	(21,367)
<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>\$ 37,233</u>	<u>\$ 173,022</u>	<u>\$ 57,259</u>	<u>\$ 55,363</u>	<u>\$ 313,575</u>	<u>\$ 76,757</u>	<u>\$ 1,158,272</u>

CITY OF CARLIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS				
	GRANTS FUND	PARKS AND RECREATION FUND	MUNICIPAL COURT BUILDING FUND	ADMINISTRATIVE ASSESSMENT FUND	PARKS AND RECREATION FUND #2
REVENUES					
Taxes	\$ -	\$ 107,849	\$ -	\$ -	\$ -
Intergovernmental	222,995	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Miscellaneous	-	-	1,111	12,102	16,749
Total Revenues	<u>222,995</u>	<u>107,849</u>	<u>1,111</u>	<u>12,102</u>	<u>16,749</u>
EXPENDITURES					
Current:					
Public safety	190,803	-	-	6,631	-
Health and sanitation	-	-	-	-	-
Culture and recreation	-	9,316	-	-	15,326
Capital outlay	50,931	-	-	-	43,763
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>241,734</u>	<u>9,316</u>	<u>-</u>	<u>6,631</u>	<u>59,089</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,739)</u>	<u>98,533</u>	<u>1,111</u>	<u>5,471</u>	<u>(42,340)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	53,000
Transfers out	-	(115,000)	-	(1,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(115,000)</u>	<u>-</u>	<u>(1,000)</u>	<u>53,000</u>
Net Change in Fund Balance	<u>(18,739)</u>	<u>(16,467)</u>	<u>1,111</u>	<u>4,471</u>	<u>10,660</u>
FUND BALANCES, July 1	<u>(2,628)</u>	<u>402,732</u>	<u>14,315</u>	<u>1,667</u>	<u>16,880</u>
FUND BALANCES, June 30	<u>\$ (21,367)</u>	<u>\$ 386,265</u>	<u>\$ 15,426</u>	<u>\$ 6,138</u>	<u>\$ 27,540</u>

EQUESTRIAN CENTER FUND	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND	PERMANENT FUND	TOTAL 2012
	POLICE FORFEITURE	SENIOR CITIZENS CENTER FUND	PERPETUAL CEMETERY CARE FUND				
\$ -	\$ -	\$ -	\$ -	\$ 26,661	\$ -	\$ 134,510	
4,666	-	144,957	-	-	-	372,618	
-	-	19,828	-	-	-	19,828	
-	163,338	-	-	-	-	163,338	
<u>33,182</u>	<u>-</u>	<u>219</u>	<u>-</u>	<u>60</u>	<u>1,922</u>	<u>65,345</u>	
<u>37,848</u>	<u>163,338</u>	<u>165,004</u>	<u>-</u>	<u>26,721</u>	<u>1,922</u>	<u>755,639</u>	
-	2,217	-	-	-	-	199,651	
-	-	-	-	-	-	-	
36,787	-	221,459	-	-	-	282,888	
15,212	4,964	-	-	92,770	-	207,640	
-	-	-	48,021	-	-	48,021	
-	-	-	14,250	-	-	14,250	
<u>51,999</u>	<u>7,181</u>	<u>221,459</u>	<u>62,271</u>	<u>92,770</u>	<u>-</u>	<u>752,450</u>	
<u>(14,151)</u>	<u>156,157</u>	<u>(56,455)</u>	<u>(62,271)</u>	<u>(66,049)</u>	<u>1,922</u>	<u>3,189</u>	
40,000	-	50,000	64,000	160,000	-	367,000	
-	-	-	-	(105,000)	(3,279)	(224,279)	
<u>40,000</u>	<u>-</u>	<u>50,000</u>	<u>64,000</u>	<u>55,000</u>	<u>(3,279)</u>	<u>142,721</u>	
25,849	156,157	(6,455)	1,729	(11,049)	(1,357)	145,910	
<u>10,640</u>	<u>11,901</u>	<u>54,774</u>	<u>53,634</u>	<u>319,897</u>	<u>78,114</u>	<u>961,926</u>	
<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>	

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Intergovernmental:				
Federal Grants	\$ 255,000	\$ 221,995	\$ (33,005)	\$ 408,751
State Grants	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Revenues	<u>255,000</u>	<u>222,995</u>	<u>(32,005)</u>	<u>408,751</u>
EXPENDITURES				
Current:				
Public Safety:				
Services and supplies	186,866	190,803	(3,937)	179,380
Capital outlay	<u>58,346</u>	<u>50,931</u>	<u>7,415</u>	<u>210,322</u>
Total Expenditures	<u>245,212</u>	<u>241,734</u>	<u>3,478</u>	<u>389,702</u>
Excess (Deficiency) of Revenues Over Expenditures	9,788	(18,739)	(28,527)	19,049
OTHER FINANCING SOURCES (USES)				
Transfers in/out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>
Net Change in Fund Balance	9,788	(18,739)	(28,527)	(25,951)
FUND BALANCE, July 1	<u>(2,628)</u>	<u>(2,628)</u>	<u>-</u>	<u>23,323</u>
FUND BALANCE (DEFICIT), June 30	<u>\$ 7,160</u>	<u>\$ (21,367)</u>	<u>\$ (28,527)</u>	<u>\$ (2,628)</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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	BUDGET	ACTUAL	VARIANCE	2011
REVENUES				
Taxes:				
Room tax revenues	\$ 107,000	\$ 107,849	\$ 849	\$ 103,533
EXPENDITURES				
Current:				
Culture and Recreation:				
Services and supplies	11,000	9,316	1,684	7,544
Excess (Deficiency) of Revenues Over Expenditures	96,000	98,533	2,533	95,989
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General	(25,000)	(25,000)	-	(85,896)
Parks and Recreation #2	(50,000)	(50,000)	-	(15,000)
Equestrian Center	(40,000)	(40,000)	-	(30,000)
Total Other Financing Sources (Uses)	(115,000)	(115,000)	-	(130,896)
Net Change in Fund Balance	(19,000)	(16,467)	2,533	(34,907)
FUND BALANCE, July 1	402,732	402,732	-	437,639
FUND BALANCE, June 30	\$ 383,732	\$ 386,265	\$ 2,533	\$ 402,732

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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Miscellaneous:				
Building Assessments	\$ <u>1,350</u>	\$ <u>1,111</u>	\$ <u>(239)</u>	\$ <u>2,225</u>
Net Change in Fund Balance	1,350	1,111	(239)	2,225
FUND BALANCE, July 1	<u>14,663</u>	<u>14,315</u>	<u>(348)</u>	<u>12,090</u>
FUND BALANCE, June 30	<u>\$ 16,013</u>	<u>\$ 15,426</u>	<u>\$ (587)</u>	<u>\$ 14,315</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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Miscellaneous:				
Administrative assessments	\$ 7,300	\$ 12,102	\$ 4,802	\$ 10,280
EXPENDITURES				
Current:				
Public Safety:				
Municipal Court	<u>6,500</u>	<u>6,631</u>	<u>(131)</u>	<u>9,088</u>
Excess (Deficiency)				
of Revenues				
Over Expenditures	800	5,471	4,671	1,192
OTHER FINANCING SOURCES				
Transfers out:				
General	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(200)	4,471	4,671	1,192
FUND BALANCE, July 1	<u>1,667</u>	<u>1,667</u>	<u>-</u>	<u>475</u>
FUND BALANCE, June 30	<u>\$ 1,467</u>	<u>\$ 6,138</u>	<u>\$ 4,671</u>	<u>\$ 1,667</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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Miscellaneous:				
Other income	\$ 16,795	\$ 16,749	\$ (46)	\$ 16,579
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks				
Services and supplies	18,200	15,326	2,874	8,823
Capital Outlay	<u>50,000</u>	<u>43,763</u>	<u>6,237</u>	<u>21,757</u>
Total Expenditures	<u>68,200</u>	<u>59,089</u>	<u>9,111</u>	<u>30,580</u>
Excess (Deficiency) of Revenues Over Expenditures	(51,405)	(42,340)	9,065	(14,001)
OTHER FINANCING SOURCES				
Transfers in:				
General	3,000	3,000	-	-
Parks and Recreation	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>15,000</u>
Total Other Financing Sources	<u>53,000</u>	<u>53,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	1,595	10,660	9,065	999
FUND BALANCE, July 1	<u>16,880</u>	<u>16,880</u>	<u>-</u>	<u>15,881</u>
FUND BALANCE, June 30	<u>\$ 18,475</u>	<u>\$ 27,540</u>	<u>\$ 9,065</u>	<u>\$ 16,880</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EQUESTRIAN CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Intergovernmental:				
State Grants:				
Grant proceeds	\$ 4,333	\$ 4,666	\$ 333	\$ 3,000
Miscellaneous:				
Other income	<u>33,172</u>	<u>33,182</u>	<u>10</u>	<u>28,974</u>
Total Revenues	<u>37,505</u>	<u>37,848</u>	<u>343</u>	<u>31,974</u>
EXPENDITURES				
Current:				
Culture and Recreation:				
Parks				
Services and supplies	37,000	36,787	213	37,818
Capital outlay	<u>40,000</u>	<u>15,212</u>	<u>24,788</u>	<u>20,017</u>
Total Expenditures	<u>77,000</u>	<u>51,999</u>	<u>25,001</u>	<u>57,835</u>
Excess (Deficiency) of Revenues Over Expenditures	(39,495)	(14,151)	25,344	(25,861)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Parks and Recreation	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>30,000</u>
Net Change in Fund Balance	505	25,849	25,344	4,139
FUND BALANCE, July 1	<u>10,640</u>	<u>10,640</u>	<u>-</u>	<u>6,501</u>
FUND BALANCE, June 30	<u>\$ 11,145</u>	<u>\$ 36,489</u>	<u>\$ 25,344</u>	<u>\$ 10,640</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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Fines and Forfeits:				
Forfeitures	\$ 163,338	\$ 163,338	\$ -	\$ 95,063
EXPENDITURES				
Current:				
Public Safety:				
Police				
Services and supplies	30,000	2,217	27,783	72,872
Capital outlay	13,500	4,964	8,536	10,290
Total Expenditures	43,500	7,181	36,319	83,162
Net Change in Fund Balance	119,838	156,157	36,319	11,901
FUND BALANCE, July 1	-	11,901	11,901	-
FUND BALANCE, June 30	\$ 119,838	\$ 168,058	\$ 48,220	\$ 11,901

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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Intergovernmental				
Federal grants	\$ 39,544	\$ 39,544	\$ -	\$ 54,479
Cash match, not-match	91,245	99,263	8,018	102,271
USDA cash	3,752	5,343	1,591	4,683
USDA food	-	807	807	2,063
	<u>134,541</u>	<u>144,957</u>	<u>10,416</u>	<u>163,496</u>
Charges for Services	<u>17,727</u>	<u>19,828</u>	<u>2,101</u>	<u>19,373</u>
Miscellaneous	<u>220</u>	<u>219</u>	<u>(1)</u>	<u>7,000</u>
Total Revenues	<u>152,488</u>	<u>165,004</u>	<u>12,516</u>	<u>189,869</u>
EXPENDITURES				
Current:				
Culture and Recreation				
Salaries and wages	103,000	100,148	2,852	95,506
Employee benefits	59,000	54,719	4,281	50,351
Services and supplies	76,850	66,592	10,258	60,926
Capital outlay	10,000	-	10,000	6,170
Total Expenditures	<u>248,850</u>	<u>221,459</u>	<u>27,391</u>	<u>212,953</u>
Excess (Deficiency) of Revenues Over Expenditures	(96,362)	(56,455)	39,907	(23,084)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>57,000</u>
Net Change in Fund Balance	(46,362)	(6,455)	39,907	33,916
FUND BALANCE, July 1	<u>54,774</u>	<u>54,774</u>	<u>-</u>	<u>20,858</u>
FUND BALANCE, June 30	<u>\$ 8,412</u>	<u>\$ 48,319</u>	<u>\$ 39,907</u>	<u>\$ 54,774</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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
EXPENDITURES				
Debt service:				
Principal	\$ 48,000	\$ 48,021	\$ (21)	\$ 45,931
Interest	<u>15,000</u>	<u>14,250</u>	<u>750</u>	<u>16,307</u>
Total Expenditures	<u>63,000</u>	<u>62,271</u>	<u>729</u>	<u>62,238</u>
OTHER FINANCING SOURCES				
Transfers in:				
General	34,000	34,000	-	34,000
Capital Projects	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Other Financing Sources	<u>64,000</u>	<u>64,000</u>	<u>-</u>	<u>64,000</u>
Net Change in Fund Balance	1,000	1,729	729	1,762
FUND BALANCE, July 1	<u>53,460</u>	<u>53,634</u>	<u>174</u>	<u>51,872</u>
FUND BALANCE, June 30	<u>\$ 54,460</u>	<u>\$ 55,363</u>	<u>\$ 903</u>	<u>\$ 53,634</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, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 20,000	\$ 26,661	\$ 6,661	\$ 27,215
Miscellaneous:				
Donations	-	60	60	40,531
Total Revenues	<u>20,000</u>	<u>26,721</u>	<u>6,721</u>	<u>67,746</u>
EXPENDITURES				
Current:				
General Government:				
Finance Administration				
Capital Outlay	<u>20,000</u>	<u>30,710</u>	<u>(10,710)</u>	<u>29,521</u>
Public Safety:				
Police				
Capital Outlay	-	-	-	51,741
Fire and Ambulance				
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,725</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,466</u>
Public Works:				
Highway and Streets				
Capital Outlay	<u>65,000</u>	<u>62,060</u>	<u>2,940</u>	<u>1,656</u>
Total Expenditures	<u>85,000</u>	<u>92,770</u>	<u>(7,770)</u>	<u>84,643</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>(65,000)</u>	<u>(66,049)</u>	<u>(1,049)</u>	<u>(16,897)</u>
OTHER FINANCING (USES)				
Transfers in	160,000	160,000	-	50,000
Transfers out	<u>(105,000)</u>	<u>(105,000)</u>	<u>-</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>20,000</u>
Net Change in Fund Balance	(10,000)	(11,049)	(1,049)	3,103
FUND BALANCE, July 1	<u>319,897</u>	<u>319,897</u>	<u>-</u>	<u>316,794</u>
FUND BALANCE, June 30	<u>\$ 309,897</u>	<u>\$ 308,848</u>	<u>\$ (1,049)</u>	<u>\$ 319,897</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, 2012

(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
REVENUES				
Miscellaneous:				
Contributions from individuals	\$ 1,470	\$ 1,825	\$ 355	\$ 4,595
Interest income	<u>75</u>	<u>97</u>	<u>22</u>	<u>133</u>
Total Revenues	1,545	1,922	377	4,728
EXPENDITURES				
Health and Sanitation:				
Services and supplies	-	-	-	450
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>450</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,545</u>	<u>1,922</u>	<u>377</u>	<u>4,278</u>
OTHER FINANCING (USES)				
Transfers out:				
General	<u>(3,279)</u>	<u>(3,279)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,734)	(1,357)	377	4,278
FUND BALANCE, July 1	<u>1,734</u>	<u>78,114</u>	<u>76,380</u>	<u>73,836</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 76,757</u>	<u>\$ 76,757</u>	<u>\$ 78,114</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 1 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
OPERATING REVENUES				
Water				
Utility fees	\$ 405,000	\$ 423,539	\$ 18,539	\$ 403,122
Garbage				
Utility fees	206,000	210,640	4,640	204,909
Sewer				
Utility fees	301,000	315,806	14,806	303,877
Street lights				
Use fees	<u>25,000</u>	<u>26,768</u>	<u>1,768</u>	<u>25,528</u>
Total Operating Revenues	<u>937,000</u>	<u>976,753</u>	<u>39,753</u>	<u>937,436</u>
OPERATING EXPENSES				
Water				
Salaries and wages	140,000	131,789	8,211	125,423
Employee benefits	63,825	70,717	(6,892)	63,563
Services and supplies	<u>64,000</u>	<u>48,105</u>	<u>15,895</u>	<u>63,427</u>
	<u>267,825</u>	<u>250,611</u>	<u>17,214</u>	<u>252,413</u>
Garbage				
Services and supplies	<u>70,000</u>	<u>73,337</u>	<u>(3,337)</u>	<u>70,507</u>
Sewer				
Salaries and wages	110,000	101,000	9,000	105,972
Employee benefits	53,025	42,950	10,075	50,321
Services and supplies	<u>53,000</u>	<u>50,041</u>	<u>2,959</u>	<u>40,368</u>
	<u>216,025</u>	<u>193,991</u>	<u>22,034</u>	<u>196,661</u>

CITY OF CARLIN
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - BUDGET AND ACTUAL
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)
(Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2011</u>
General				
Services and supplies	225,000	209,712	15,288	200,954
Depreciation	<u>120,000</u>	<u>119,376</u>	<u>624</u>	<u>114,596</u>
	<u>345,000</u>	<u>329,088</u>	<u>15,912</u>	<u>315,550</u>
Total Operating Expenses	<u>898,850</u>	<u>847,027</u>	<u>51,823</u>	<u>835,131</u>
Operating Income (Loss)	<u>38,150</u>	<u>129,726</u>	<u>91,576</u>	<u>102,305</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and penalties earned	4,000	24,788	20,788	25,245
Miscellaneous income	13,599	13,907	308	12,360
Interest expense	<u>(5,980)</u>	<u>(5,823)</u>	<u>157</u>	<u>(6,517)</u>
Total Nonoperating Revenues (Expenses)	<u>11,619</u>	<u>32,872</u>	<u>21,253</u>	<u>31,088</u>
Change in Net Assets	<u>\$ 49,769</u>	162,598	<u>\$ 112,829</u>	133,393
NET ASSETS, July 1		<u>4,172,171</u>		<u>4,038,778</u>
NET ASSETS, June 30		<u>\$ 4,334,769</u>		<u>\$ 4,172,171</u>

COMPLIANCE SECTION



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

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

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

We have audited the 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (12-1).

Compliance and Other Matters

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

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

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

KaJaury, Armstrong & Co.

Elko, Nevada
November 30, 2012

**CITY OF CARLIN
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Finding 12-1 - Financial Statement Reporting

Condition/Cause:	Personnel at the City do not have sufficient expertise in selecting and applying accounting principles to prepare financial statements in accordance with generally accepted accounting principles. They also have not been recording all material adjustments needed to prepare the referenced financial statements.
Criteria:	Internal controls should be in place that provide reasonable assurance the City can prepare its financial statements in accordance with generally accepted accounting principles.
Effect:	The City cannot complete its financial reporting in accordance with generally accepted accounting principles.
Recommendation:	Personnel responsible for the accounting and reporting function should obtain the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions 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.

AUDITOR'S COMMENTS

CITY OF CARLIN
SCHEDULE OF FEES IMPOSED SUBJECT TO THE
PROVISIONS OF NRS 354.5989
LIMITATION OF FEES FOR BUSINESS LICENSES
FOR THE YEAR ENDED JUNE 30, 2012

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2011	\$ <u>29,756</u>
---	------------------

Adjustment of Base:

Base year	
1. Percentage increase in population of local government	1.0%
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>3.2%</u> <u>4.2%</u>

1,250

Adjusted base at June 30, 2012	31,006
--------------------------------	--------

Actual revenue	<u>19,185</u>
----------------	---------------

Amount under allowable amount	\$ <u><u>11,821</u></u>
-------------------------------	-------------------------

**CITY OF CARLIN
AUDITOR'S COMMENTS
JUNE 30, 2012**

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.

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 12-1.

CURRENT YEAR RECOMMENDATIONS

We indentified a financial weakness that has been reported as a material weakness. See finding 12-1 reported on the schedule of findings and responses.