

**CITY OF CALIENTE, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

**CITY OF CALIENTE, NEVADA**  
**REPORT ON FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**  
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**CITY OF CALIENTE, NEVADA**  
**CITY COUNCIL MEMBERS**  
**JUNE 30, 2021**

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Mayor:

Steve Rowe

City Council Members:

George Tommy Rowe

Sean FitzSimons

Joseph Livreri

Jamin Hunter

DANIEL C. McARTHUR, LTD.

*Certified Public Accountant*

Quail Park III • 501 So. Rancho Dr., Ste. E-30 • Las Vegas, NV 89106 • (702) 385-1899 • FAX (702) 385-9619

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of Caliente, Nevada  
Caliente, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-13, Schedule of Changes in the City's Total Other Post Employment Benefits Liability and Related Ratios on page 60, Schedule of the City's Contributions to the Public Employees' Retirement System of the State of Nevada on Page 61, and Schedule of the City's Proportionate Share of the Net Pension Liability Public Employees' Retirement System of the State of Nevada on page 62 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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.

### ***Other Information***

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated April 13, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020, 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 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada  
January 28, 2022

**CITY OF CALIENTE, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

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As management of the City of Caliente, Nevada, we offer readers of the City of Caliente, Nevada's financial statements this narrative overview and analysis of the financial activities of the City of Caliente, Nevada, for the fiscal year ended June 30, 2021. The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the City of Caliente, Nevada. The MD&A is designed to give the reader an easy-to-understand overview of the City's financial position and results of operations for the year. The MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the City's Governmental Funds, Financial Analysis of the City's Enterprise Funds, General Fund Budgetary Highlights, Capital Assets, Debt Administration, and Economic Factors and Next Year's Budget and Rates.

**FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the 2021 fiscal year by \$10,496,254 (net position). Total net position represents approximately \$9,801,600 in capital assets, net of related debt, and \$270,314 in assets restricted for debt services, capital projects, public works, and for other purposes. The remaining \$424,340 represents unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors.

The government-wide net position of the City decreased during the fiscal year 2021 by \$667,574, or 5.98%.

The City's government-wide primary revenue sources for governmental activities were charges for services of \$109,715, capital grants of \$321,341, consolidated taxes of \$165,841, ad valorem (property) taxes of \$161,526, and fuel tax of \$96,349. These revenue sources comprised 11.14%, 32.62%, 16.83%, 16.40% and 9.78% respectively, or 86.77%, of total governmental activities revenues. Business-type activities revenue from charges for services was \$1,914,288.

The City's total government-wide expenses were \$3,574,752. The greatest expenses for governmental activities were in the culture and recreation \$656,388, general government \$348,496, public works \$241,286, and public safety \$138,876 functions. Business-type activities contributed \$2,149,369 to total expenses.

At the end of fiscal year 2021, the City's governmental funds reported combined fund balances of \$604,494, a decrease of \$42,693 when compared to the previous year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements which consists of government-wide financial statements, fund financial statements, and accompanying notes. This report also contains required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and liabilities with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

**CITY OF CALIENTE, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

The government-wide financial statements report two types of activities: governmental activities and business-type activities. The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, health and sanitation, culture and recreation, and intergovernmental. The business-type activities include operations of the water, sewer, electricity, waste collection, and mosquito abatement utilities.

**Fund Financial Statements.** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains individual governmental funds. Information is presented separately in the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund financial statements and schedules.

The City adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the City's governmental funds to demonstrate compliance with the budget. The budgetary comparison statements for the major governmental fund is presented as required supplementary information; the budgetary comparison statements for all other governmental funds are included in the fund financial statements supplementary information.

**CITY OF CALIENTE, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Proprietary Funds.** The City maintains one type of proprietary fund, the Enterprise Fund. The Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the Enterprise Funds to account for its various utility activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the utility funds and the building fund.

**Notes to Financial Statements.** The notes to the financial statements provide additional information that is essential to acquire a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, Schedule of the City's Contribution to the Public Employees' Retirement System of the State of Nevada, and the Schedule of the City's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of the State of Nevada.

The combining statements and individual fund schedules referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information.

**CITY OF CALIENTE, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position of the City is summarized below:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 813,900	\$ 690,430	\$ 981,273	\$ 1,094,366	\$ 1,795,173	\$ 1,784,796
Net capital assets	8,189,503	8,688,200	2,799,413	3,052,036	10,988,916	11,740,236
Total Assets	9,003,403	9,378,630	3,780,686	4,146,402	12,784,089	13,525,032
<b>Deferred Outflows of Resources:</b>	26,696	33,580	63,148	73,739	89,844	107,319
<b>Liabilities:</b>						
Current liabilities	131,278	41,490	154,507	151,437	285,785	192,927
Long-term liabilities	202,065	234,387	1,623,410	1,777,025	1,825,475	2,011,412
Total Liabilities	333,343	275,877	1,777,917	1,928,462	2,111,260	2,204,339
<b>Deferred Inflows of Resources:</b>	70,806	70,214	195,613	193,970	266,419	264,184
<b>Net Position:</b>						
Invested in capital assets, net of related debt	8,155,805	8,643,652	1,645,795	1,802,201	9,801,600	10,445,853
Restricted	120,679	111,347	149,635	149,462	270,314	260,809
Unrestricted	349,466	311,120	74,874	146,046	424,340	457,166
Total Net Position	\$ 8,625,950	\$ 9,066,119	\$ 1,870,304	\$ 2,097,709	\$ 10,496,254	\$ 11,163,828

Net position may serve as a useful indicator of the City's financial position. Assets exceeded liabilities by \$10,496,254 as of June 30, 2021. Using the net position as an indicator, the City's financial position has declined 5.98%, or \$667,574, from 2020. The details of this change can be found on the Changes in Net Position statement on page 9 of the MD&A.

The largest portion of the City's net assets, 93.38%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), net of any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these 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 the debt.

The City's restricted net position, 2.58%, represents resources that are subject to external restrictions on how they may be used. Of this restricted net position, 52.19% is for debt service, 34.14% for capital projects, and the remaining 13.67% is restricted for other purposes.

The unrestricted portion of the City's net position is 4.04%.

**CITY OF CALIENTE, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

Changes in net position of the City are summarized as follows:

	Governmental Activities		Business-type Activities		Total Primary Governmental	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 109,715	\$ 171,119	\$ 1,914,288	\$ 1,892,290	\$ 2,024,003	\$ 2,063,409
Operating grants	4,853	-	-	-	4,853	-
Capital grants	321,341	91,504	-	-	321,341	91,504
General revenues:						
Ad valorem tax	161,526	153,178	-	-	161,526	153,178
Consolidated tax	165,841	158,964	-	-	165,841	158,964
Fuel tax	96,349	95,266	-	-	96,349	95,266
Room tax	83,040	81,047	-	-	83,040	81,047
Marijuana	36,270	-	-	-	36,270	-
Investment income	2,160	1,902	172	213	2,332	2,115
Gain on sale of assets	-	1,081	-	51,368	-	52,449
Miscellaneous	4,119	7,513	7,504	17,059	11,623	24,572
Total revenues	<u>985,214</u>	<u>761,574</u>	<u>1,921,964</u>	<u>1,960,930</u>	<u>2,907,178</u>	<u>2,722,504</u>
<b>Expenses:</b>						
General government	348,496	307,328	-	-	348,496	307,328
Judicial	34,475	34,475	-	-	34,475	34,475
Public safety	138,876	108,805	-	-	138,876	108,805
Public works	241,286	211,971	-	-	241,286	211,971
Health and sanitation	1,723	1,201	-	-	1,723	1,201
Culture and recreation	656,388	658,245	-	-	656,388	658,245
Intergovernmental	2,891	2,306	-	-	2,891	2,306
Interest	1,248	1,979	-	-	1,248	1,979
Utility operations	-	-	2,149,369	2,188,299	2,149,369	2,188,299
Total expenses	<u>1,425,383</u>	<u>1,326,310</u>	<u>2,149,369</u>	<u>2,188,299</u>	<u>3,574,752</u>	<u>3,514,609</u>
Decrease in net assets before special items	(440,169)	(564,736)	(227,405)	(227,369)	(667,574)	(792,105)
Gain on OPEB liability	-	-	-	121,260	-	121,260
Change in net position	(440,169)	(564,736)	(227,405)	(106,109)	(667,574)	(670,845)
Net position - beginning	<u>9,066,119</u>	<u>9,630,855</u>	<u>2,097,709</u>	<u>2,203,818</u>	<u>11,163,828</u>	<u>11,834,673</u>
Net position - ending	<u>\$ 8,625,950</u>	<u>\$ 9,066,119</u>	<u>\$ 1,870,304</u>	<u>\$ 2,097,709</u>	<u>\$ 10,496,254</u>	<u>\$ 11,163,828</u>

Program revenues include charges for services, certain licenses and permits, operating and capital grants. Program revenues from governmental activities increased by \$173,286, or 65.98%, mainly due to an increase in capital grants. Program revenues from business-type activities increased by \$21,998, or 1.16%, due to an increase in customer usage.

General revenues consist of taxes, miscellaneous, and interest not allocable to specific programs. For governmental activities, the largest revenues are consolidated taxes of \$165,841 and ad valorem taxes of \$161,526. For business-type activities there was a 88.82% decrease due to prior year gains on sale of assets.

**CITY OF CALIENTE, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

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**FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:**

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$604,494, a decrease of \$42,693, or 6.60%, from the prior year. Fund balance components are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed on the use of the resources of each fund. Restricted fund balance is constrained by externally imposed (statutory, bond covenant, contributors, or grantors) limitations on their use. The largest restricted fund balances include \$69,212 for capital projects, \$11,012 for public works, and \$19,901 for public safety.

Committed fund balances combined to represent 69.89% of total fund balance with spending constrained by either the City Council (for committed) or senior management (for assigned). Committed balances in the special revenue funds are primarily due to revenues directed by the Council to those funds to support programs. The largest committed fund balances include \$269,029 for general government and \$153,472 for culture and recreation. The assigned fund balance of \$25,396 was assigned for use in the subsequent year.

**Major Governmental Fund:**

**General Fund:** The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$43,355. The General Fund revenues increased by \$173,717, or 41.17%. Taxes increased by \$9,216, or 6.34%. Licenses and permits decreased by \$3,347, or 22.39%. Intergovernmental revenues increased by \$168,870 due to grant revenue for CARES and the Depot restoration.

Expenditures increased by \$310,377, or 79.95%. General government expenditures increased by \$278,655, or 97.20%, primarily due to CARES and the Depot restoration expenses. Public safety expenditures increased by \$31,307, or 46.84%, primarily due to additional monies paid to the County for dispatch support.

**FINANCIAL ANALYSIS OF THE CITY'S ENTERPRISE FUNDS**

Enterprise Funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the enterprise funds totaled \$1,870,304. Total net position for these funds decreased by \$227,405 from the prior year.

**Major Enterprise Funds:**

**Utility Enterprise-Water Fund:** The Utility Enterprise Water Fund operating revenues decreased by \$1,106, or 0.46% due to a small decrease in customer usage. Operating expenditures decreased by \$58,292, or 16.91%, due primarily to increases in general administration, salaries and benefits, and services and supplies offset by a large decrease in depreciation expense due to fully depreciated assets. Nonoperating revenues decreased by \$10,864 primarily due to a prior year gains on the sale of equipment.

**CITY OF CALIENTE, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

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**FINANCIAL ANALYSIS OF THE CITY'S ENTERPRISE FUNDS (Continued)**

**Major Enterprise Funds (Continued)**

**Utility Enterprise-Sewer Fund:** The Utility Enterprise Sewer Fund operating revenues increased \$362, or 0.17%. Operating expenditures decreased by \$7,541, or 3.04%. This decrease is due to a decrease in depreciation and bad debt expense offset by increases in all other areas. Nonoperating revenues decreased by \$32,364 primarily due to prior year gains on the sale of equipment.

**Utility Enterprise-Electricity Fund:** The Utility Enterprise Electric Fund operating revenues increased by \$31,134, or 2.52%, due to an increase in customer usage. Operating expenditures increased by \$11,784, or 0.90% primarily due to increased service and supply expenditures related to the new maintenance contract with Lincoln Power District offset by decreased bad debt expense. Nonoperating revenues decreased by \$7,390 primarily due to a decrease in penalty fees and a prior year gains on the sale of equipment.

**Utility Enterprise-Waste Collection Fund:** The Utility Enterprise Waste Collection Fund operating revenues increased \$4,393, or 2.64%. Operating expenditures increased by \$38,674, or 19.64%. This increase is due to a decrease in bad debt expense offset by increases in all other areas. Nonoperating revenues decreased by \$10,309 primarily due to prior year gains on the sale of equipment.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget (2020-21 Final Budget) was approved May 21, 2020.

**Original budget compared to final budget:** During the year there was a need for an amendment to increase original estimated revenues and original budgeted appropriations related to grant revenues received and the related expenditures.

**Final budget compared to actual results:** The most significant differences for the General Fund were as follows:

Overall, the revenues received were less than budgeted by 8.84%, or \$57,775. Intergovernmental revenues were \$57,609 less than anticipated due to unavailable grant revenues of \$77,617 that were not received timely after year end.

A review of actual expenditures compared to the appropriations in the final budget shows expenditures were \$62,751 more than budgeted, or 9.87%. Expenditures were under budget for the judicial and health and sanitation functions of the General Fund. The general government function was over budget by \$71,381 and the public safety function was over budget \$10,598.

Actual fund balance of \$43,355, was \$50,526 less than anticipated to begin the 2021-2022 year.



**CITY OF CALIENTE, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

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**CAPITAL ASSETS**

The City's investment in capital assets, net of accumulated depreciation, on June 30, 2021, was \$8,189,503 in governmental activities and \$2,799,413 in business-type activities. A summary of changes in capital assets for the year ended June 30, 2021, follows:

<b>Governmental Activities:</b>	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 210,410	\$ -	\$ -	\$ 210,410
Construction in progress	-	123,120	-	123,120
<b>Total capital assets not being depreciated</b>	<b>210,410</b>	<b>123,120</b>	<b>-</b>	<b>333,530</b>
<b>Capital assets being depreciated:</b>				
Building	687,604	-	-	687,604
Improvements	14,426,643	12,800	-	14,439,443
Equipment	3,607,733	121,550	-	3,729,283
Infrastructure	427,824	-	-	427,824
<b>Total capital assets being depreciated</b>	<b>19,149,804</b>	<b>134,350</b>	<b>-</b>	<b>19,284,154</b>
<b>Less accumulated depreciation for:</b>				
Building	319,430	11,705	-	331,135
Improvements	6,779,865	700,439	-	7,480,304
Equipment	3,488,630	35,466	-	3,524,096
Infrastructure	84,089	8,557	-	92,646
<b>Total accumulated depreciation</b>	<b>10,672,014</b>	<b>756,167</b>	<b>-</b>	<b>11,428,181</b>
<b>Total capital assets being depreciated, net</b>	<b>8,477,790</b>	<b>(621,817)</b>	<b>-</b>	<b>7,855,973</b>
<b>Governmental activities, net</b>	<b>\$ 8,688,200</b>	<b>\$ (498,697)</b>	<b>\$ -</b>	<b>\$ 8,189,503</b>

Governmental-type activities capital asset events during the current fiscal year included the following:

- Purchase of equipment for board meetings and a plumbing project throughout the City to make the restrooms touch-free.
- Improvements included sidewalk projects.
- Construction in progress includes the Depot restoration project.

**CITY OF CALIENTE, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2021**

**CAPITAL ASSETS (Continued)**

<b>Business-Type Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2021</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 274,501	\$ -	\$ -	\$ 274,501
Water rights	195,745	-	-	195,745
<b>Total capital assets not being depreciated</b>	<b>470,246</b>	<b>-</b>	<b>-</b>	<b>470,246</b>
<b>Capital assets being depreciated:</b>				
Water	3,088,749	9,678	-	3,098,427
Sewer	4,505,486	14,517	-	4,520,003
Garbage	274,525	-	-	274,525
Mosquito	6,223	-	-	6,223
Electricity	2,244,819	-	-	2,244,819
<b>Total capital assets being depreciated</b>	<b>10,119,802</b>	<b>24,195</b>	<b>-</b>	<b>10,143,997</b>
<b>Less accumulated depreciation for:</b>				
Water	2,826,498	94,608	-	2,921,106
Sewer	2,956,027	104,750	-	3,060,777
Garbage	252,535	2,269	-	254,804
Mosquito	-	622	-	622
Electricity	1,502,952	74,569	-	1,577,521
<b>Total accumulated depreciation</b>	<b>7,538,012</b>	<b>276,818</b>	<b>-</b>	<b>7,814,830</b>
<b>Total capital assets being depreciated, net</b>	<b>2,581,790</b>	<b>(252,623)</b>	<b>-</b>	<b>2,329,167</b>
<b>Business-type activities, net</b>	<b>\$ 3,052,036</b>	<b>\$ (252,623)</b>	<b>\$ -</b>	<b>\$ 2,799,413</b>

Business-types activities capital asset events during the current fiscal year included the following:

- Included the purchase of equipment.

**CITY OF CALIENTE, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**DEBT ADMINISTRATION**

**Changes in Long-term Debt:** During the year ended June 30, 2021, the following changes occurred in long-term debt:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
<b>Governmental Activities:</b>					
Notes Payable From Direct Borrowing	\$ 44,548	\$ -	\$ 10,850	\$ 33,698	\$ 11,208
Compensated Absences	3,468	1,054	-	4,522	2,785
Total OPEB Liability	33,526	-	4,451	29,075	-
Net Pension Liability	152,845	-	18,075	134,770	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 234,387</u>	<u>\$ 1,054</u>	<u>\$ 33,376</u>	<u>\$ 202,065</u>	<u>\$ 13,993</u>
<b>Business-Type Activities:</b>					
Revenue Bonds	\$ 1,093,259	\$ -	\$ 52,997	\$ 1,040,262	\$ 49,794
Notes Payable From Direct Borrowing	156,576	-	43,220	113,356	45,487
Compensated Absences	24,459	-	7,450	17,009	12,759
Net Pension Liability	502,731	-	49,948	452,783	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 1,777,025</u>	<u>\$ -</u>	<u>\$ 153,615</u>	<u>\$ 1,623,410</u>	<u>\$ 108,040</u>

The City's debt decreased by \$32,322 for governmental activities during the current fiscal year. The reason for the decrease was a payment of outstanding debt and changes in the pension and OPEB liabilities.

The City's debt decreased by \$153,615 for business-type activities during the current fiscal year. The reason for the decrease was a payment of outstanding debt, compensated absences, and changes in the pension liability.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City approved the budget for the 2021-2022 year on May 20, 2021. The following factors were considered in the development of the budget.

- Assessed valuation for the City increased and tax rates remained unchanged. Therefore, property tax revenues are expected to be more.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide its users with a general overview of the City of Caliente, Nevada's finances and to demonstrate the City's accountability for the revenues it receives. Any comments, further questions, or requests for additional information should be addressed to:

City Clerk –  
City of Caliente, Nevada  
PO Box 1006  
Caliente, Nevada 89008-1006

**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 634,065	\$ 623,624	\$ 1,257,689
Taxes receivable	6,082	-	6,082
Due from other governments	125,851	-	125,851
Accounts receivable (net of allowance for uncollectibles)	11,984	141,491	153,475
Prepaid expenses	35,918	53,877	89,795
Restricted assets- cash	-	162,281	162,281
Capital assets, net of accumulated depreciation	8,189,503	2,799,413	10,988,916
Total assets	9,003,403	3,780,686	12,784,089
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension related	25,328	63,148	88,476
OPEB related	1,368	-	1,368
Total deferred outflows of resources	26,696	63,148	89,844
<b><u>LIABILITIES</u></b>			
Accounts payable	94,863	95,699	190,562
Accrued payroll and benefits	36,150	16,084	52,234
Customer deposits payable from restricted cash	-	38,476	38,476
Accrued interest	265	4,248	4,513
Noncurrent liabilities:			
Due within one year	13,993	108,040	122,033
Due in more than one year	188,072	1,515,370	1,703,442
Total liabilities	333,343	1,777,917	2,111,260
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension related	70,806	195,613	266,419
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	8,155,805	1,645,795	9,801,600
Restricted for:			
General government	4,231	-	4,231
Judicial	1,815	-	1,815
Public safety	19,901	-	19,901
Public works	11,012	-	11,012
Capital projects	69,212	23,072	92,284
Debt service	14,508	126,563	141,071
Unrestricted	349,466	74,874	424,340
Total net position	\$ 8,625,950	\$ 1,870,304	\$ 10,496,254

The notes to the financial statements are an integral part of this statement.

**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ (348,496)	\$ 32,523	\$ -	\$ 321,341	\$ 5,368	\$ -	\$ 5,368
Judicial	(34,475)	-	-	-	(34,475)	-	(34,475)
Public safety	(138,876)	36,110	-	-	(102,766)	-	(102,766)
Public works	(241,286)	-	-	-	(241,286)	-	(241,286)
Health and sanitation	(1,723)	2,925	-	-	1,202	-	1,202
Culture and recreation	(656,388)	38,157	4,853	-	(613,378)	-	(613,378)
Intergovernmental	(2,891)	-	-	-	(2,891)	-	(2,891)
Interest	(1,248)	-	-	-	(1,248)	-	(1,248)
Total governmental activities	(1,425,383)	109,715	4,853	321,341	(989,474)	-	(989,474)
Business-type activities:							
Water	(296,300)	241,497	-	-	-	(54,803)	(54,803)
Sewer	(275,420)	209,534	-	-	-	(65,886)	(65,886)
Electricity	(1,322,637)	1,268,783	-	-	-	(53,854)	(53,854)
Waste collection	(235,561)	170,952	-	-	-	(64,609)	(64,609)
Mosquito abatement	(3,492)	7,286	-	-	-	3,794	3,794
Building	(15,959)	16,236	-	-	-	277	277
Total business-type activities	(2,149,369)	1,914,288	-	-	-	(235,081)	(235,081)
Total primary governments	<u>\$(3,574,752)</u>	<u>\$2,024,003</u>	<u>\$ 4,853</u>	<u>\$ 321,341</u>	<u>(989,474)</u>	<u>(235,081)</u>	<u>(1,224,555)</u>
General Revenues:							
Ad valorem tax					161,526	-	161,526
Consolidated tax					165,841	-	165,841
Fuel tax					96,349	-	96,349
Room tax					83,040	-	83,040
Marijuana					36,270	-	36,270
Investment income					2,160	172	2,332
Miscellaneous					4,119	7,504	11,623
Total general revenues and special items					549,305	7,676	556,981
Change in net position					(440,169)	(227,405)	(667,574)
Net position - beginning of year					9,066,119	2,097,709	11,163,828
Net position - end of year					\$ 8,625,950	\$ 1,870,304	\$ 10,496,254

The notes to the financial statements are an integral part of this statement

**CITY OF CALIENTE, NEVADA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	<u>Major Fund</u>	<u>Other</u>	
	General	Governmental	
	Fund	Funds	Totals
<b><u>ASSETS</u></b>			
Pooled cash	\$ 110,807	\$ 523,258	\$ 634,065
Taxes receivable	2,025	4,057	6,082
Due from other governments	109,534	16,317	125,851
Prepaid expenses	17,959	17,959	35,918
Accounts receivable	-	11,984	11,984
Due from other funds	<u>2,751</u>	<u>-</u>	<u>2,751</u>
Total assets	<u>\$ 243,076</u>	<u>\$ 573,575</u>	<u>\$ 816,651</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 94,231	\$ 632	\$ 94,863
Accrued payroll	27,097	9,053	36,150
Due to other funds	<u>-</u>	<u>2,751</u>	<u>2,751</u>
Total liabilities	<u>121,328</u>	<u>12,436</u>	<u>133,764</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues - property taxes	776	-	776
Unavailable revenues - grant revenue	<u>77,617</u>	<u>-</u>	<u>77,617</u>
Total deferred inflows of resources	<u>78,393</u>	<u>-</u>	<u>78,393</u>
<b><u>FUND BALANCE</u></b>			
Nonspendable	17,959	17,959	35,918
Restricted for:			
General government	-	4,231	4,231
Judicial	-	1,815	1,815
Public safety	-	19,901	19,901
Public works	-	11,012	11,012
Capital projects	-	69,212	69,212
Debt service	-	14,508	14,508
Committed for:			
General government	-	269,029	269,029
Culture and recreation	-	153,472	153,472
Assigned for subsequent year	<u>25,396</u>	<u>-</u>	<u>25,396</u>
Total fund balance	<u>43,355</u>	<u>561,139</u>	<u>604,494</u>
Total liabilities, deferred inflows of resources, and fund balances(deficits)	<u>\$ 243,076</u>	<u>\$ 573,575</u>	<u>\$ 816,651</u>

The notes to the financial statements are an integral part of this statement

**CITY OF CALIENTE, NEVADA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

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<b>Total fund balance - governmental funds</b>	<b>\$ 604,494</b>
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Amounts reported for governmental activities in the Statement of Net Position 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 Position.	8,189,503
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Certain liabilities (such as notes payable and capital leases payable) are not reported in the Governmental Funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position.	(38,485)
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	78,393
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The City's other post-employment benefits liabilities as well as other post-employment benefits-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from other post-employment benefits.	1,368
Total other post-employment benefits liability.	(29,075)

The City's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from pension activity.	25,328
Net pension liability	(134,770)
Deferred inflows from pension activity.	<u>(70,806)</u>

<b>Total net position - governmental activities</b>	<b><u>\$ 8,625,950</u></b>
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The notes to the financial statements are an integral part of this statement.

**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<u>Major Fund</u>	<u>Other</u>	
	General	Governmental	
	Fund	Funds	Totals
<b>Revenues:</b>			
Taxes	\$ 154,470	\$ 83,040	\$ 237,510
Licenses and permits	11,599	36,270	47,869
Intergovernmental	411,965	104,757	516,722
Charges for services	2,925	74,267	77,192
Miscellaneous	<u>14,676</u>	<u>14,980</u>	<u>29,656</u>
Total revenues	<u>595,635</u>	<u>313,314</u>	<u>908,949</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	565,324	368	565,692
Judicial	33,500	-	33,500
Public safety	98,141	25,721	123,862
Public works	-	123,981	123,981
Health and sanitation	1,616	-	1,616
Culture and recreation	-	75,092	75,092
Intergovernmental	-	2,891	2,891
Debt service	-	12,208	12,208
Capital projects	<u>-</u>	<u>12,800</u>	<u>12,800</u>
Total expenditures	<u>698,581</u>	<u>253,061</u>	<u>951,642</u>
Excess (deficiency) of revenues over expenditures	<u>(102,946)</u>	<u>60,253</u>	<u>(42,693)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	30,000	61,000	91,000
Operating transfers out	<u>(31,000)</u>	<u>(60,000)</u>	<u>(91,000)</u>
Total other financing sources	<u>(1,000)</u>	<u>1,000</u>	<u>-</u>
Net change in fund balance	(103,946)	61,253	(42,693)
<b>Fund balance:</b>			
Beginning of year	<u>147,301</u>	<u>499,886</u>	<u>647,187</u>
End of year	<u>\$ 43,355</u>	<u>\$ 561,139</u>	<u>\$ 604,494</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF CALIENTE, NEVADA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

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<b>Net Change in Fund Balance - Governmental Funds</b>	<b>\$ (42,693)</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities.	(498,697)
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	10,960
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Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred.	(1,054)
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Property taxes and grant revenues that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.	76,265
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Net differences between other post-employment benefits contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities:

Other post-employment benefits contributions made after measurement date (2021 contributions).	1,368
Total other post-employment benefits (expense) income.	(1,295)

Net differences between pension system contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities.

Pension contributions made after measurement date (2021 contributions).	15,137
Net pension expense.	(160)

<b>Change in net position of governmental activities</b>	<b>\$ (440,169)</b>
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The notes to the financial statements are an integral part of this statement.

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>			Variance With
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 140,286	\$ 140,286	\$ 154,470	\$ 14,184
<b>Licenses and permits:</b>				
Business licenses	9,000	9,000	5,911	(3,089)
City gaming licenses	1,800	1,800	1,680	(120)
Liquor licenses	3,000	3,000	4,000	1,000
Dog licenses	50	50	8	(42)
Total licenses and permits	13,850	13,850	11,599	(2,251)
<b>Intergovernmental:</b>				
County gaming tax	4,000	4,000	3,150	(850)
Grants	-	320,591	242,974	(77,617)
Consolidated tax	144,983	144,983	165,841	20,858
Total intergovernmental	148,983	469,574	411,965	(57,609)
<b>Charges for services:</b>				
Cemetery fees	1,500	1,500	2,925	1,425
<b>Miscellaneous:</b>				
Investment income	700	700	2,143	1,443
Rent	22,500	22,500	10,814	(11,686)
Donations	-	-	750	750
Other	5,000	5,000	969	(4,031)
Total miscellaneous	28,200	28,200	14,676	(13,524)
Total revenues	332,819	653,410	595,635	(57,775)

The notes to the financial statements are an integral part of this statement

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Mayor and City Council:</b>				
Salaries and wages	\$ 9,984	\$ 9,984	\$ 9,600	\$ 384
Employee benefits	3,417	3,417	1,765	1,652
Services and supplies	5,858	5,858	5,331	527
Total mayor and city council	19,259	19,259	16,696	2,563
<b>City Hall General Administration:</b>				
Salaries and wages	36,480	36,480	61,391	(24,911)
Employee benefits	23,172	23,172	44,911	(21,739)
Services and supplies	93,431	93,431	159,080	(65,649)
Total city hall general administration	153,083	153,083	265,382	(112,299)
<b>Grant Administrator:</b>				
Services and supplies	-	-	37,481	(37,481)
Capital outlay	-	320,591	244,671	75,920
Total Grant Administrator	-	-	282,152	38,439
<b>Communications Tower:</b>				
Services and supplies	1,010	1,010	1,094	(84)
Total general government	173,352	173,352	565,324	(71,381)
<b>Judicial:</b>				
<b>City Attorney:</b>				
Services and supplies	30,000	30,000	30,000	-
<b>Municipal Court:</b>				
Services and supplies	7,000	7,000	3,500	3,500
Total judicial	37,000	37,000	33,500	3,500
<b>Public Safety:</b>				
<b>Police Department:</b>				
Services and supplies	87,543	87,543	98,141	(10,598)

The notes to the financial statements are an integral part of this statement

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>			Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Expenditures: (Continued)</b>				
<b>Health and Sanitation:</b>				
<b>Cemetery:</b>				
Salaries and wages	\$ 490	\$ 490	\$ 897	\$ (407)
Employee benefits	413	413	373	40
Services and supplies	4,545	4,545	8	4,537
Total cemetery	<u>5,448</u>	<u>5,448</u>	<u>1,278</u>	<u>4,170</u>
<b>Animal Control:</b>				
Salaries and wages	438	438	148	290
Employee benefits	295	295	133	162
Services and supplies	505	505	57	448
Total animal control	<u>1,238</u>	<u>1,238</u>	<u>338</u>	<u>900</u>
Total health and sanitation	<u>6,686</u>	<u>6,686</u>	<u>1,616</u>	<u>5,070</u>
<b>Contingency</b>	<u>10,658</u>	<u>10,658</u>	<u>-</u>	<u>10,658</u>
Total expenditures	<u>315,239</u>	<u>635,830</u>	<u>698,581</u>	<u>(62,751)</u>
Excess (deficiency) of revenues over expenditures	<u>17,580</u>	<u>17,580</u>	<u>(102,946)</u>	<u>(120,526)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	10,000	10,000	30,000	20,000
Operating transfers out	<u>(71,000)</u>	<u>(71,000)</u>	<u>(31,000)</u>	<u>40,000</u>
Total other financing sources (uses)	<u>(61,000)</u>	<u>(61,000)</u>	<u>(1,000)</u>	<u>60,000</u>
Change in fund balance	(43,420)	(43,420)	(103,946)	(60,526)
<b>Fund balance:</b>				
Beginning of year	<u>70,635</u>	<u>70,635</u>	<u>147,301</u>	<u>76,666</u>
End of year	<u>\$ 27,215</u>	<u>\$ 27,215</u>	<u>\$ 43,355</u>	<u>\$ 16,140</u>

The notes to the financial statements are an integral part of this statement

**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2021**  
**Page 1 of 2**

	Major Water	Major Sewer	Major Electricity
<b><u>ASSETS</u></b>			
<b>Current assets:</b>			
Cash	\$ 148,158	\$ -	\$ 429,345
Accounts receivable, net of allowance for uncollectible accounts (\$50,000)	15,390	17,228	95,572
Prepaid expenses	26,938	-	26,939
Due from other funds	-	-	93,778
Total current assets	<u>190,486</u>	<u>17,228</u>	<u>645,634</u>
<b>Restricted assets:</b>			
Cash	<u>22,177</u>	<u>127,458</u>	<u>12,646</u>
<b>Capital assets:</b>			
Land	4,016	262,453	4,016
Buildings	31,807	38,473	40,304
Machinery, equipment, and plant	3,262,365	4,481,530	2,204,515
Accumulated depreciation	<u>(2,921,106)</u>	<u>(3,060,777)</u>	<u>(1,577,521)</u>
Capital assets, net of accumulated depreciation	<u>377,082</u>	<u>1,721,679</u>	<u>671,314</u>
Total assets	<u>589,745</u>	<u>1,866,365</u>	<u>1,329,594</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Pension charge	<u>\$ 14,501</u>	<u>\$ 11,793</u>	<u>\$ 21,731</u>

The notes to the financial statements are an integral part of this statement

Major Waste Collection	Non-Major Enterprise Funds	Total Enterprise Funds
\$ -	\$ 46,121	\$ 623,624
12,392	909	141,491
-	-	53,877
-	-	93,778
<u>12,392</u>	<u>47,030</u>	<u>912,770</u>
-	-	162,281
4,016	-	274,501
26,906	-	137,490
247,619	6,223	10,202,252
<u>(254,804)</u>	<u>(622)</u>	<u>(7,814,830)</u>
<u>23,737</u>	<u>5,601</u>	<u>2,799,413</u>
<u>36,129</u>	<u>52,631</u>	<u>3,874,464</u>
\$ <u>14,812</u>	\$ <u>311</u>	\$ <u>63,148</u>

**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2021**  
**Page 2 of 2**

	Major Water	Major Sewer	Major Electricity
<b><u>LIABILITIES</u></b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 3,624	\$ 4,214	\$ 81,145
Accrued payroll	2,038	1,769	10,834
Due to other funds	-	64,824	-
Accrued compensated absences	1,616	1,405	8,592
Accrued interest	58	4,190	-
Bonds payable - current	5,778	44,016	-
Note payable - current	-	-	45,487
Total current liabilities	<u>13,114</u>	<u>120,418</u>	<u>146,058</u>
<b>Current liabilities payable from restricted cash:</b>			
Customer deposits	<u>-</u>	<u>-</u>	<u>38,476</u>
<b>Non-current liabilities:</b>			
Accrued compensated absences	540	465	2,865
Revenue bond payable, net of current portion	232,234	758,234	-
Note payable, net of current portion	-	-	67,869
Net pension liability	<u>53,886</u>	<u>50,574</u>	<u>306,073</u>
Total non-current liabilities	<u>286,660</u>	<u>809,273</u>	<u>376,807</u>
Total liabilities	<u>299,774</u>	<u>929,691</u>	<u>561,341</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension charge	<u>23,276</u>	<u>21,846</u>	<u>132,217</u>
<b><u>NET PENSION</u></b>			
Invested in capital assets, net of related debt	139,070	919,429	557,958
Restricted for debt service	16,368	110,195	-
Restricted for capital improvements	5,809	17,263	-
Unrestricted	<u>119,949</u>	<u>(120,266)</u>	<u>99,809</u>
Total net position	<u>\$ 281,196</u>	<u>\$ 926,621</u>	<u>\$ 657,767</u>

The notes to the financial statements are an integral part of this statement

Major Waste Collection	Non-Major Enterprise Funds	Total Enterprise Funds
\$ 5,896	\$ 820	\$ 95,699
1,443	-	16,084
28,954	-	93,778
1,146	-	12,759
-	-	4,248
-	-	49,794
-	-	45,487
<u>37,439</u>	<u>820</u>	<u>317,849</u>
-	-	<u>38,476</u>
380	-	4,250
-	-	990,468
-	-	67,869
<u>40,488</u>	<u>1,762</u>	<u>452,783</u>
<u>40,868</u>	<u>1,762</u>	<u>1,515,370</u>
<u>78,307</u>	<u>2,582</u>	<u>1,871,695</u>
<u>17,507</u>	<u>767</u>	<u>195,613</u>
23,737	5,601	1,645,795
-	-	126,563
-	-	23,072
<u>(68,610)</u>	<u>43,992</u>	<u>74,874</u>
<u>\$ (44,873)</u>	<u>\$ 49,593</u>	<u>\$ 1,870,304</u>



**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Major Water	Major Sewer	Major Electricity
<b>Operating revenues:</b>			
Charges for services	\$ 241,497	\$ 209,534	\$ 1,268,783
<b>Operating expenses:</b>			
Salaries and wages	51,120	39,285	12,648
Employee benefits	29,253	22,615	8,716
Services and supplies	76,687	44,013	1,036,302
General administration	34,687	30,096	183,316
Depreciation	94,608	104,750	74,569
Total operating expenses	286,355	240,759	1,315,551
Operating income (loss)	(44,858)	(31,225)	(46,768)
<b>Non-operating revenues (expenses):</b>			
Investment income	7	150	15
Debt surcharge	-	-	7,504
Interest expense	(9,945)	(34,661)	(7,086)
Total non-operating revenues (expenses)	(9,938)	(34,511)	433
Change in net position	(54,796)	(65,736)	(46,335)
<b>Net position:</b>			
Beginning of year	335,992	992,357	704,102
End of year	\$ 281,196	\$ 926,621	\$ 657,767

The notes to the financial statements are an integral part of this statement

Major Waste Collection	Non-Major Enterprise Funds	Total Enterprise Funds
\$ 170,952	\$ 23,522	\$ 1,914,288
57,336	888	161,277
35,173	557	96,314
116,229	16,338	1,289,569
24,554	1,046	273,699
2,269	622	276,818
235,561	19,451	2,097,677
(64,609)	4,071	(183,389)
-	-	172
-	-	7,504
-	-	(51,692)
-	-	(44,016)
(64,609)	4,071	(227,405)
19,736	45,522	2,097,709
\$ (44,873)	\$ 49,593	\$ 1,870,304

**CITY OF CALIENTE, NEVADA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Major Water	Major Sewer	Major Electricity
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 248,657	\$ 211,755	\$ 1,272,552
Cash paid for salaries, wages and employee benefits	(106,184)	(85,676)	(149,611)
Cash paid for services and supplies	(116,321)	(55,509)	(1,146,139)
Net cash provided (used) by operating activities	26,152	70,570	(23,198)
<b>Cash flows from non-capital financing activities:</b>			
Due to/from other funds	-	25,451	(54,405)
<b>Cash flows from capital and related financing activities:</b>			
Principal payments-bonds/notes payable	(6,422)	(46,575)	(43,220)
Debt surcharge	-	-	7,504
Interest paid	(9,947)	(34,928)	(7,086)
Purchase of capital assets	(9,678)	(14,517)	-
Net cash provided (used) by capital and related financing activities	(26,047)	(96,020)	(42,802)
<b>Cash flows from investing activities:</b>			
Investment income	7	150	15
Net increase (decrease) in cash and cash equivalents	112	151	(120,390)
<b>Cash:</b>			
Beginning of year	170,223	127,307	562,381
End of year	\$ 170,335	\$ 127,458	\$ 441,991
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>			
Operating income (loss)	\$ (44,858)	\$ (31,225)	\$ (46,768)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities</b>			
Depreciation and amortization	94,608	104,750	74,569
(Increase) decrease in prepaid expenses	(26,938)	-	(26,939)
(Increase) decrease in accounts receivable	7,160	2,221	1,794
(Increase) decrease in deferred outflows - pension charges	1,060	(498)	7,741
Increase (decrease) in accounts payable	3,239	2,330	1,317
Increase (decrease) in accrued payroll	(1,356)	(748)	682
Increase (decrease) in customer deposits	-	-	1,975
Increase (decrease) in accrued compensated absences	(1,016)	(865)	(4,918)
Increase (decrease) in net pension liability	(5,942)	(5,578)	(33,760)
Increase (decrease) in deferred inflows - pension charges	195	183	1,109
Total adjustments	71,010	101,795	23,570
Net cash provided (used) by operating activities	\$ 26,152	\$ 70,570	\$ (23,198)

The notes to the financial statements are an integral part of this statement

Major Waste Collection	Non-Major Enterprise Funds	Total Enterprise Funds
\$ 169,119	\$ 23,302	\$ 1,925,385
(111,642)	(2,124)	(455,237)
<u>(122,881)</u>	<u>(22,449)</u>	<u>(1,463,299)</u>
<u>(65,404)</u>	<u>(1,271)</u>	<u>6,849</u>
 28,954	 -	 -
 -	 -	 (96,217)
		7,504
 -	 -	 (51,961)
 -	 -	 (24,195)
<u>-</u>	<u>-</u>	<u>(164,869)</u>
 -	 -	 172
(36,450)	(1,271)	(157,848)
<u>36,450</u>	<u>47,392</u>	<u>943,753</u>
<u>\$ -</u>	<u>\$ 46,121</u>	<u>\$ 785,905</u>
 \$ (64,609)	 \$ 4,071	 \$ (183,389)
 2,269	 622	 276,818
 -	 -	 (53,877)
(1,833)	(220)	9,122
2,212	76	10,591
4,628	(5,630)	5,884
(3,098)	-	(4,520)
 -	 -	 1,975
(651)	-	(7,450)
(4,471)	(197)	(49,948)
<u>149</u>	<u>7</u>	<u>1,643</u>
<u>(795)</u>	<u>(5,342)</u>	<u>190,238</u>
<u>\$ (65,404)</u>	<u>\$ (1,271)</u>	<u>\$ 6,849</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**1. Reporting Entity**

The City of Caliente, Nevada, is governed by an elected five-member council. As required by generally accepted accounting principles, these financial statements present the City of Caliente, Nevada (the primary government). The City has no component units.

**2. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**3. Basis of Presentation - Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds (enterprise funds). As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position presents the consolidated financial position of the City at year-end, in separate columns, for both governmental and business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are specifically associated with a program or service and are, therefore, clearly identifiable to a particular function. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues properly not included among program revenues are reported instead as general revenues. This statement provides a net cost or net revenue of specific programs and functions within the City. Those functions with a net cost are generally dependent on general-purpose tax revenues, such as property tax, to remain operational.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Basis of Presentation - Fund Financial Statements**

The financial accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, deferred outflows and inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds and proprietary funds.

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary (enterprise) – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

**General Fund** - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general City, except those accounted for in another fund.

The City reports the following major enterprise funds:

**Utility Enterprise Fund – Water** – The Utility Enterprise Fund-Water accounts for the delivery of water services to City residents.

**Utility Enterprise Fund – Sewer** – The Utility Enterprise Fund-Sewer accounts for the delivery of sewer services to City residents.

**Utility Enterprise Fund – Electricity**– The Utility Enterprise Fund-Electricity accounts for the delivery of electricity services to City residents.

**Utility Enterprise Fund – Waste Collection**– The Utility Enterprise Fund-Waste Collection accounts for the solid waste collection services for the City residents.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 revenues 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.

The 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 governments and are then recognized as revenue. The government considers revenues to be “available” if they are collected within 60 days of 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. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The major revenue sources of the City include charges for services, capital grants, consolidated taxes (sales tax), ad valorem taxes, and fuel taxes. Property taxes, sales 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Enterprise Utility funds are customer charges. Expenses are those required to provide the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Budgetary Basis of Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds.

- a.** The statutes provide for the following timetable in adoption of budgets:
  - 1. Before April 15, the City submits to the Nevada State Department of Taxation a tentative budget for the upcoming fiscal year. The tentative budget includes proposed expenditures and the means to finance them.
  - 2. A public hearing must be held by the City Council no sooner than the third Monday in May and no later than the last day in May. Notice of the public hearing must be published once in the local newspaper not more than fourteen nor less than seven days before the hearing.
  - 3. On or before June 1, the City Council must adopt a final budget.
- b.** Nevada Revised Statutes Chapter 354.598005 (1) - provides that the City Council may augment the budget of any fund that receives ad valorem tax at any time by a majority vote of the Council providing the Council publish notice of its intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution. If it is desired to augment a fund that does not receive ad valorem tax or an enterprise or internal service fund, the Council may do so by adopting a resolution by majority vote authorizing the augmentation.
- c.** Nevada Revised Statute 354.598005 (5) allows appropriations to be transferred between functions, funds or contingency accounts if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions. The City Clerk may transfer appropriations within any function. The City may also transfer appropriations between functions or programs within a fund if the City Council are advised of the action at the next regular meeting; and the action is recorded in the official minutes of the meeting. The City Council may authorize the transfer of appropriations between funds or from the contingency account if the City Council announces the transfer of appropriations at a regularly scheduled meeting and set forth the exact amounts to be transferred and the accounts, functions, programs and funds affected. The City Council must also set forth its reasons for the transfers; and the action must be recorded in the official minutes of the meeting.
- d.** Statutory regulations require budget control to be exercised at the function level within the funds.
- e.** The General Fund budget was augmented due to a grant awarded to the City.
- f.** Generally, budgets for all funds are adopted in accordance with generally accepted accounting principles. Budgeted amounts reflected in the accompanying financial statements recognize amendments made during the year.
- g.** All appropriations lapse at the end of the fiscal year.



**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**a. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash includes cash deposited in interest-bearing accounts at banks and cash in the custody of fiscal agents of the City.

**b. Investments**

Investments are stated at fair value on the Balance Sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of City investments are part of investment income which is included in revenue from local sources on the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds. (See Note D1)

Nevada Revised Statutes authorize the City to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 20 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

The City has not adopted a formal investment and depository policy that further limits allowable investments and deposits.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**c. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The proprietary type of fund reports inventory expense when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**d. Restricted Assets**

Certain cash assets of the Enterprise Funds are from revenue for specific use by the Enterprise Funds and are classified as restricted assets because their use is restricted by agreement. **(See Note D5)**

**e. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year.

If purchased or constructed, capital assets are valued at cost where historical records are available and, if no historical records exist, at estimated cost. Capital assets are updated for additions and retirements during the year. Donated capital assets are valued at their estimated value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The City is required to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The City is required to capitalize and report its major general infrastructure assets acquired in fiscal years ending after June 30, 1980. In addition, infrastructure assets acquired before June 30, 1980, that received significant reconstruction must be capitalized.

Land and construction in progress are not depreciated. The other property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Years</u>
Vehicles	8
Equipment	5-20
Buildings and Improvements	20-50
Infrastructure	25-50

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**f. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows include the City's pension and other post-employment benefit activity.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has three types of items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The other types of deferred inflows related to pension and other post-employment benefit activity.

**g. Pensions**

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

**h. Other Post-Employment Benefits**

For purposes of measuring the total other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the net position of the Public Employees' Benefit Plan of Nevada (PEBP) and additions to/deductions from PEBP's net position have been determined on the same basis as they are reported by PEBP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

**i. Accrued Salaries and Benefits**

City salaries earned but not paid by June 30, 2021, have been accrued as liabilities and are shown as expenditures for the year ending June 30, 2021.

**j. Interfund Activity**

During the course of operations, the City may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, balances between the funds included in the governmental activities are eliminated. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as operating transfers in or out. While reported in fund financial statements, transfers between the funds included in governmental activities are eliminated in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated as transfers in the business-type activities column.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**k. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. Deferred losses related to the refunding of debt are reported as a deferred charge component of bonds payable and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**l. Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

1. **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact, such as inventories and prepaids.
2. **Restricted** – Amounts that can be spent only for a specific purpose because of the state or federal laws, or externally imposed conditions by grantors or creditors.
3. **Committed** – These amounts can only be used for specific purposes as set forth by the City Council. The Council must take formal action (vote approval by the majority), in order to establish an ending fund balance commitment for any specific purpose. Formal Council action is also required to modify or rescind an established commitment. To be reported as committed, amounts cannot be used for any other purpose unless the Council takes the same highest-level action to remove or change the constraint.
4. **Assigned** – Assignments are neither restrictions nor commitments and represent the City's intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the City's ending fund balance. Intent can be expressed by the City Council or by the City Clerk.
5. **Unassigned** – All amounts not included in other classifications.

**m. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance.) When fund balance resources are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**n. Net Position Policies**

In the government-wide statements, net position on the Statement of Net Position includes the following:

1. **Invested in Capital Assets, net of Related Debt** - This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted Assets** - This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the City restricts assets as follow:
  - a. NRS 354.59815 Special Ad Valorem Capital Projects
  - b. NRS 365.190 Road Improvements
  - c. NRS 354.6113 Construction of Capital Projects
  - d. NRS 172.056 Municipal Court Administrative Assessment for the Court's use
  - e. Public Donations Museum Operation
  - f. Fire Fees Operations of the City Fire Department
3. **Unrestricted** - This is the component of net position that is the difference between the assets and liabilities not reported in Invested in Capital Assets, Net of Related Debt, and Restricted Assets.

**o. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**p. Comparative Data/Reclassifications**

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**q. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Revenues and Expenditures/Expenses**

**a. Property Tax**

Taxes on real property are levied on July 1<sup>st</sup> of each year and are due on the third Monday in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at a rate of 10 percent 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 obtains a 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.

Article X, Section 2 of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any City (i.e., the County, the School District, the State and any other City, Town, or Special District) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed. The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation. The Nevada legislature passed a property tax abatement law in 2005 that generally caps increases in property tax on owner-occupied residential property to 3% and 8% per year for all other property. (See Note D2)

**b. Compensated Absences**

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide financial statements. No expenditure is reported for these amounts in the fund financial statements. (See Note D6) Vacation leave and sick leave included in accrued liabilities and recorded as expenditures in governmental fund types is the amount normally liquidated from "available spendable resources."

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as a payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

**c. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, electricity fund, waste fund, and mosquito abatement fund, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains that "Certain liabilities (such as notes payable and capital leases payable) are not reported in the Governmental Funds financial statements because they are not due and payable, but they are presented as liabilities in the statement of net position." The details of this difference are as follows:

Interest payable	\$ ( 265)
Notes payable	( 33,698)
Compensated absences	<u>( 4,522)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ ( 38,485)</u>

**2. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities." The details of this difference are as follows:

Capital outlay	\$ 257,470
Depreciation expense	<u>( 756,167)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ ( 498,697)</u>

Another element of that reconciliation states that, "The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this difference are as follows:

Accrued interest	\$ 110
General obligation debt principal payments	<u>10,850</u>
Net adjustment to increase net change in fund balances - governmental funds to arrive at change in net position of governmental activities	<u>\$ 10,960</u>

Another element of that reconciliation states that, "Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when incurred." The details of this difference are as follows:

Compensated absences	<u>\$ (1,054)</u>
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**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1. Compliance and Accountability**

The City conformed to all significant statutory constraints on its financial administration during the year except as follows:

Nevada Revised Statutes chapter 354.626 requires the City to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. Enterprise funds may not exceed budget appropriations at the fund level. As of June 30, 2021, the City had the following funds with expenditures over appropriations:

General Fund – General government	\$ 71,381
General Fund – Public Safety	\$ 10,598
Utility Enterprise – Electric	\$ 869
Utility Enterprise – Waste	\$ 40,422
Parks and Recreation – Culture and Recreation	\$ 9,678

**2. Deficit Fund Balance/Net Position**

Utility Enterprise – Waste	\$ 44,873
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The deficit net position of the Utility Enterprise Waste Fund is due to the individual fund's proportionate share of the net pension liability of the Public Employees' Retirement System of the State of Nevada. See **Note D-12** of the financial statement.

**NOTE D. DETAILED NOTES ON ALL FUNDS**

**1. Pooled Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2021, this pool is displayed by the statement of net position and major and other governmental funds on the governmental funds balance sheet as "Pooled Cash."

A reconciliation of cash as shown in the Statement of Net Position is as follows:

Carrying amount of deposits	<u>\$ 1,419,970</u>
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A reconciliation of cash for the City is as follows:

Government-wide pooled cash	\$ 1,257,689
Restricted cash	<u>162,281</u>
Total	<u>\$ 1,419,970</u>

The cash and investment pool is available for use by all funds of the City. The City may invest the money of the investment pool in investments which have been authorized as investments by Nevada Revised Statutes. (See **Note A7b**)

Investment income is apportioned to the funds within the pool monthly based on the average balance invested for the month.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.



**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**1. Pooled Cash and Investments (Continued)**

Cash and investment are subject to the following risks:

**Interest Rate Risk:** Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. Nevada Revised Statutes limits bankers' acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. As of June 30, 2021, all investments are deemed liquid.

**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 its investments. The Nevada Revised Statutes limits investment instruments by their credit risk (**Note A7b**).

**Custodial Credit Risk:** Custodial credit risk is the risk that in the event of a bank or brokerage failure, the City's deposits may not be returned. The City's bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool. At year-end, the City's carrying amount of deposits was \$1,419,970 and the bank balance was \$1,413,550. Of the bank balance, \$250,000 was covered by federal depository insurance. Of the remaining balance, \$1,163,550 was collateralized with securities held by the Nevada Pooled Collateral Program.

**Fair Value:** The City categorizes its investments using fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has no investments that require classification.

**2. Receivables**

Below is the detail of receivables for each major fund and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts:

	Enterprise Funds							Totals
	Nonmajor		Major Fund					
	Major Fund	Other	Major Fund	Major Fund	Major Fund	Major Fund	Nonmajor	
	General	Governmental	Water	Sewer	Electricity	Waste	Other	
	Fund	Funds	Fund	Fund	Fund	Collection	Enterprise	
Taxes receivable	\$ 2,025	\$ 4,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,082
Accounts receivable, (net)	-	11,984	15,390	17,228	95,572	12,392	909	153,475
Due from other governments:								
Fuel taxes	-	16,317	-	-	-	-	-	16,317
Consolidated taxes	30,559	-	-	-	-	-	-	30,559
Grant revenue	77,617	-	-	-	-	-	-	77,617
Property taxes	1,358	-	-	-	-	-	-	1,358
Net total receivables	\$ 111,559	\$ 32,358	\$ 15,390	\$ 17,228	\$ 95,572	\$ 12,392	\$ 909	\$285,408

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

<b>Governmental Activities:</b>	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 210,410	\$ -	\$ -	\$ 210,410
Construction in progress	-	123,120	-	123,120
<b>Total capital assets not being depreciated</b>	<b>210,410</b>	<b>123,120</b>	<b>-</b>	<b>333,530</b>
<b>Capital assets being depreciated:</b>				
Building	687,604	-	-	687,604
Improvements	14,426,643	12,800	-	14,439,443
Equipment	3,607,733	121,550	-	3,729,283
Infrastructure	427,824	-	-	427,824
<b>Total capital assets being depreciated</b>	<b>19,149,804</b>	<b>134,350</b>	<b>-</b>	<b>19,284,154</b>
<b>Less accumulated depreciation for:</b>				
Building	319,430	11,705	-	331,135
Improvements	6,779,865	700,439	-	7,480,304
Equipment	3,488,630	35,466	-	3,524,096
Infrastructure	84,089	8,557	-	92,646
<b>Total accumulated depreciation</b>	<b>10,672,014</b>	<b>756,167</b>	<b>-</b>	<b>11,428,181</b>
<b>Total capital assets being depreciated, net</b>	<b>8,477,790</b>	<b>(621,817)</b>	<b>-</b>	<b>7,855,973</b>
<b>Governmental activities, net</b>	<b>\$ 8,688,200</b>	<b>\$ (498,697)</b>	<b>\$ -</b>	<b>\$ 8,189,503</b>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**3. Capital Assets (Continued)**

<b>Business-Type Activities:</b>	<b>Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 274,501	\$ -	\$ -	\$ 274,501
Water rights	195,745	-	-	195,745
<b>Total capital assets not being depreciated</b>	<b>470,246</b>	<b>-</b>	<b>-</b>	<b>470,246</b>
<b>Capital assets being depreciated:</b>				
Water	3,088,749	9,678	-	3,098,427
Sewer	4,505,486	14,517	-	4,520,003
Garbage	274,525	-	-	274,525
Mosquito	6,223	-	-	6,223
Electricity	2,244,819	-	-	2,244,819
<b>Total capital assets being depreciated</b>	<b>10,119,802</b>	<b>24,195</b>	<b>-</b>	<b>10,143,997</b>
<b>Less accumulated depreciation for:</b>				
Water	2,826,498	94,608	-	2,921,106
Sewer	2,956,027	104,750	-	3,060,777
Garbage	252,535	2,269	-	254,804
Mosquito	-	622	-	622
Electricity	1,502,952	74,569	-	1,577,521
<b>Total accumulated depreciation</b>	<b>7,538,012</b>	<b>276,818</b>	<b>-</b>	<b>7,814,830</b>
<b>Total capital assets being depreciated, net</b>	<b>2,581,790</b>	<b>(252,623)</b>	<b>-</b>	<b>2,329,167</b>
<b>Business-type activities, net</b>	<b>\$ 3,052,036</b>	<b>\$ (252,623)</b>	<b>\$ -</b>	<b>\$ 2,799,413</b>

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

**Governmental activities:**

General government	\$ 35,800
Public safety	15,014
Public works	118,133
Judicial	975
Culture and recreation	586,245
	<u>\$ 756,167</u>

**Business activities:**

Water	\$ 94,608
Sewer	104,750
Garbage	2,269
Mosquito	622
Electricity	74,569
	<u>\$ 276,818</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**4. Accrued Liabilities**

Accrued liabilities reported in the Government-wide financial statements at June 30, 2021, were as follows:

<u>Fund</u>	<u>Accrued Payroll</u>	<u>Compensated Absences</u>	<u>Meter Deposits</u>	<u>Totals</u>
Governmental	\$ 36,150	\$ 4,522	\$ 0	\$ 40,672
Business-type	16,084	17,009	38,476	71,569
Total Accrued Liabilities	<u>\$ 52,234</u>	<u>\$ 21,531</u>	<u>\$ 38,476</u>	<u>\$112,241</u>

**5. Restricted Assets**

The balances of the City's restricted asset accounts are as follows:

Cash – customer deposits	\$ 12,646
1993 – Sewer Revenue Bond	4,648
1993 – Sewer Revenue Bond Reserve	56,361
1999 – Sewer Revenue Bond	26,602
1999 – Sewer Revenue Bond Reserve	26,542
2003 – Sewer Revenue Bond Reserve	13,305
2005 – Water Revenue Bond Reserve	22,177
Total restricted assets	<u>\$ 162,281</u>

**6. Long-term Debt**

**Business-Type Activities:**

- a. Revenue Bonds** The City issues revenue bonds to provide funds for the acquisition and construction of utility capital assets. Revenue bonds have been issued for the business-type activities. Revenue bonds are an obligation of the enterprise utility funds for which the capital assets were acquired or constructed. Revenue bonds outstanding at June 30, 2021, are as follows:

<u>Purpose</u>	<u>Interest</u>	<u>Amount</u>
1993 Sewer Revenue Bond	4.50%	\$ 415,477
1999 Sewer Revenue Bond	4.50%	297,235
2005 Water Revenue Bond	4.50%	238,012
2003 Sewer Revenue Bond	4.25%	89,538
		<u>\$1,040,262</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**6. Long-term Debt (Continued)**

**a. Revenue Bonds (Continued)**

**1993 Sewer Revenue Bonds:** The 1993 Sewer Revenue Bond is payable to the Farmers Home Administration. The 1993 bond agreement requires the City to establish a Sewer Revenue Bond account in which the City must deposit an amount sufficient to pay the next maturing installment of principal and interest on the outstanding Bond. The deposit requirement is \$4,233. The balance in this account was \$4,648 at June 30, 2021. The agreement also requires the City to establish a Sewer Revenue Bond Reserve Fund in which the City must deposit on a monthly basis an amount equal to one hundred twentieth of the average annual loan installment until the average annual loan installment has been accumulated. The monthly deposit is \$422 and the average annual loan installment is \$50,796. The balance in this account at June 30, 2021, was \$56,361.

The balance at June 30, 2021, is \$415,477. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 30,436	\$ 20,360
2023	31,993	18,803
2024	33,630	17,166
2025	35,351	15,445
2026	37,159	13,637
2027-2031	216,337	37, 644
2032	30,571	735
	<u>\$415,477</u>	<u>\$123,790</u>

**1999 Sewer Revenue Bonds:** The 1999 Sewer Revenue Bond is payable to the Farmers Home Administration. The 1999 bond agreement requires the City to establish a Sewer Revenue Bond Account in which the City must deposit an amount sufficient to pay the next maturing installment of principal and interest. The deposit requirement is \$24,458. The balance in the account was \$26,602 at June 30, 2021. The agreement also requires the City to establish a Sewer Revenue Bond Reserve Account in which the City must deposit on an annual basis a deposit equal to one tenth of the average annual payment of principal and interest until the average annual payment of principal and interest has been accumulated. The average annual loan installment is \$24,458. The balance in the account was \$26,542 at June 30, 2021. These reserve accounts can only be used to pay for emergency maintenance of facilities, loan installments, extensions to facilities, and short-lived assets.

The balance at June 30, 2021, is \$297,235. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 11,082	\$ 13,376
2023	11,581	12,877
2024	12,102	12,356
2025	12,647	11,811
2026	13,216	11,242
2027-2031	75,554	46,736
2032-2036	94,155	28,135
2037-2039	66,898	6,092
	<u>\$297,235</u>	<u>\$142,625</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**6. Long-term Debt (Continued)**

**a. Revenue Bonds (Continued)**

**2005 Water Revenue Bond:** The Caliente Water revenue bond is payable to the U.S. Department of Agriculture. Payments are due in monthly installments of \$1,364 including interest. The bond matures in 2045 at an interest rate of 4.5%. The bond covenants require the City accumulate an amount equal to one annual installment of principal and interest to be used only for loan installments. The deposit requirement to date would be \$16,368. The balance in the account was \$22,177 at June 30, 2021.

The balance at June 30, 2021, is \$238,012. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 5,778	\$ 10,590
2023	6,044	10,324
2024	6,321	10,047
2025	6,612	9,756
2026	6,915	9,453
2027-2031	39,645	42,195
2032-2036	49,627	32,213
2037-2041	62,123	19,717
2042-2045	54,947	4,723
	<u>\$238,012</u>	<u>\$149,018</u>

**2003 Sewer Bond:** The Sewer revenue bond is payable to the U.S. Department of Agriculture. The bond is payable in monthly payments of \$520.80 including interest at 4.25%. The bond covenants require the City to accumulate an amount equal to one annual installment of principal and interest to be used only for loan installments. The deposit requirement would be \$6,250; the balance in the account was \$13,305 at June 30, 2021.

The balance at June 30, 2021, is \$89,538. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,498	\$ 3,752
2023	2,607	3,643
2024	2,719	3,531
2025	2,838	3,412
2026	2,960	3,290
2027-2031	16,839	14,409
2032-2036	20,819	10,429
2037-2041	25,738	5,510
2042-2044	12,520	576
	<u>\$ 89,538</u>	<u>\$ 48,552</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**6. Long-term Debt (Continued)**

**b. Note Payable**

**Electric Distribution Line Assessment:** An electric distribution line was placed in service in 1995 which services the City. The electrical distributor assessed the City \$765,400 for their share of the cost. Payments are due in monthly installments of \$4,192 with interest at 5.125 percent. This outstanding note from direct borrowings becomes immediately due if the City is unable to make payment.

The balance at June 30, 2021, is \$113,356. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 45,487	\$ 4,817
2023	46,975	3,329
2024	20,894	944
	<u>\$113,356</u>	<u>\$ 9,090</u>

**c. Note Payable**

**Governmental Activities:**

**Note payable:** The City entered into a note with United States Department of Agriculture Rural Development to borrow an original principal of \$120,000 for the purchase of a fire truck. The note is payable in quarterly payments of \$3,052 including interest at a rate of 3.375%. This outstanding note from direct borrowing related to governmental activities is secured by the equipment purchased. In the event of default outstanding amounts become immediately due.

The balance at June 30, 2021, is \$33,698. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 11,208	\$ 1,000
2023	11,590	618
2024	10,900	219
	<u>\$ 33,698</u>	<u>\$ 1,837</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**6. Long-term Debt (Continued)**

**Changes in Long-term Debt:** During the year ended June 30, 2021, the following changes occurred in long-term debt:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
<b>Governmental Activities:</b>					
Notes Payable From Direct Borrowing	\$ 44,548	\$ -	\$ 10,850	\$ 33,698	\$ 11,208
Compensated Absences	3,468	1,054	-	4,522	2,785
Total OPEB Liability	33,526	-	4,451	29,075	-
Net Pension Liability	152,845	-	18,075	134,770	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 234,387</u>	<u>\$ 1,054</u>	<u>\$ 33,376</u>	<u>\$ 202,065</u>	<u>\$ 13,993</u>
<b>Business-Type Activities:</b>					
Revenue Bonds	\$ 1,093,259	\$ -	\$ 52,997	\$ 1,040,262	\$ 49,794
Notes Payable From Direct Borrowing	156,576	-	43,220	113,356	45,487
Compensated Absences	24,459	-	7,450	17,009	12,759
Net Pension Liability	502,731	-	49,948	452,783	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 1,777,025</u>	<u>\$ -</u>	<u>\$ 153,615</u>	<u>\$ 1,623,410</u>	<u>\$ 108,040</u>

For the governmental activities, the compensated absences liability, net pension liability, and OPEB liabilities will be liquidated primarily by the General Fund, and the notes payable will be paid by the Fire Fund. For the business-type activities, the liabilities will be paid by the water, sewer, electric, and waste utility funds.

Per Nevada Revised Statute Chapter 266.600(4), the debt limitation for the City is equal to 20 percent of the assessed valuation of property, excluding motor vehicles for the current year. The debt limitation currently applicable at June 30, 2021, was \$3,498,284. This does not include revenue bonds, which are exempt from this statute.

**7. Interfund Transfers**

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the individual funds. Transfers between fund types during the year ended June 30, 2021, were as follows:

	Total Transfers In	Transfers Out	
		General Fund	Nonmajor Special Revenue
General Fund	\$ 30,000	\$ -	\$ 30,000
Nonmajor Special Revenue Funds	61,000	31,000	30,000
Total	<u>\$ 91,000</u>	<u>\$ 31,000</u>	<u>\$ 60,000</u>

The Streets Special Revenue Fund received \$31,000 from the General Fund. The Parks and Recreation Special Revenue Fund received \$30,000 from the Room Tax Fund. The General Fund received \$30,000 from the Room Tax Fund. The transfers were made to help fund current year activities.



**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**8. Unavailable Revenue**

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. At June 30, 2021, the City had \$2,128 of unavailable revenue in the General Fund.

**9. Due to / Due from Other Funds**

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
Utility Enterprise Fund – Electricity	Utility Enterprise Fund – Sewer	<u>\$ 64,824</u>
Utility Enterprise Fund – Electricity	Utility Enterprise Fund – Waste	<u>\$ 28,954</u>

**10. Risk Management**

**Property, Casualty, Crime, and Machinery Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The City pays an annual premium and specific deductibles, as necessary, to NPAIP for its general insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member, the maintenance deductible is \$500 for each insured event. Cyber security events including privacy response expense are covered at \$3,000,000 per event with an annual aggregate of \$3,000,000 and do not have a maintenance deductible.

The City participates in the Public Agency Compensation Trust (PACT). Premiums paid to PACT cover workers' compensation claims against the City. Premiums are based on a percentage of wages paid.

The City carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**11. Contingent Liabilities**

**Litigation**

In the ordinary course of its operations, claims may be filed against the City. It is the opinion of management that these claims will not have any material adverse effect on the City's financial position, results of operation, or cash flows.

The City does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

**Construction commitments**

The City has no significant construction commitments as of June 30, 2021.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**12. Defined Benefit Pension Plan**

**Plan Description.** All half time and greater City employees are provided pension benefits through 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. NRS Chapter 286 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 can be obtained at [www.nvpers.org](http://www.nvpers.org) under Quick Links — Publications.

**Benefits Provided.** Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 30 years.

The schedule of Eligibility for Monthly Unreduced Retirement Benefits for regular members and police/fire members are as follows:

**Eligibility for Regular Members:**

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	60	2.50%	60	2.67%	62	2.50%	62	2.25%
30 years	Any	2.50%	Any	2.67%	Any	2.50%	55	2.25%
33 1/3 years							Any	2.25%

**Eligibility for Police and Fire Members:**

Years of Service	Hired prior to 07/01/01		Hired between 07/01/01-12/31/09		Hired Between 01/01/10-07/01/15		Hired After 7/1/15	
	Age	STM%	Age	STM%	Age	STM%	Age	STM%
5 years	65	2.50%	65	2.67%	65	2.50%	65	2.25%
10 years	55	2.50%	55	2.67%	60	2.50%	60	2.25%
20 years	50	2.50%	50	2.67%	50	2.50%	50	2.25%
25 years	Any	2.50%	Any	2.67%				
30 years					Any	2.50%	Any	2.25%

\* Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**12. Defined Benefit Pension Plan (Continued)**

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

**Contributions:** Benefits for plan members are funded under the employer pay contribution plan. The City is required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The City's required contribution rates for the year ending June 30, 2021, were 42.50% for police and fire members; 29.25% for regular members; and 15.25% for employer/employee match. The City has fully funded the amounts due for the year ending June 30, 2021.

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

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the City reported a liability of \$587,553 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. The City's proportionate share of the net pension liability decreased from 0.00481 percent at June 30, 2019, to 0.00422 percent at June 30, 2020.

For the year ended June 30, 2021, the City recognized a pension asset of \$2,561. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 18,255	\$ 7,587
Net difference between projected and actual earnings on pension plan investments	0	22,196
Changes of assumptions	16,504	0
Changes in proportion	3,587	236,636
City Contributions subsequent to measurement date	50,130	0
Total	<u>\$ 88,476</u>	<u>\$ 266,419</u>

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**12. Defined Benefit Pension Plan (Continued)**

\$50,130 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$( 68,329)
2023	( 47,576)
2024	( 45,455)
2025	( 45,152)
2026	( 19,807)
2027	( 1,754)
	<u>\$(228,073)</u>

**Actuarial Assumptions:** The System's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll Growth	Regular: 5.50%
	Police/Fire: 6.50%
Investment Rate of Return	7.50%, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.25% to 9.15%, depending on service
	Police/Fire: 4.55% to 13.90%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Mortality rates were based on the following:

Healthy:	Headcount-Weighted RP-2014 Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.
	For ages less than 50, mortality rates are based on the headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016.
Disabled:	Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.
	The RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later.
Pre-Retirement	Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**12. Defined Benefit Pension Plan (Continued)**

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period of July 1, 2012 through June 30, 2016. The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

**The following was the Board adopted policy target asset allocation as of June 30, 2020:**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
U.S. Stock	42%	5.50%
International Stock	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

\*As of June 30, 2020, PERS' long-term inflation assumption was 2.75%.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

**Sensitivity of the City's proportionate share of the net pension liability to change in the discount rate.** The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	<u>1.0% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1.0% Increase (8.50%)</u>
City's proportionate share of the net pension liability	\$ 916,703	\$ 587,553	\$ 314,297

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

**Pension contributions payable.** The City's accrued contributions payable at June 30, 2021, were \$12,846.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**13. Post-Employment Healthcare Plan**

**Plan Description:** The City subsidizes eligible retirees' contributions to the Public Employees' Benefits Plan (PEBP), an agent multiple-employer defined benefit postemployment health care plan administered by the State of Nevada. This plan provides medical, vision, dental, and life insurance benefits to eligible retired City employees and beneficiaries. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. The plan is now closed to current City retirees. However, City employees who previously met the eligibility requirement for retirement within the Nevada Public Employees' Retirement System had the option upon retirement to enroll in coverage under the PEBP and the subsidy provided by the City was determined by their number of years of service. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement 75.

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV 89701, by calling (775) 684-7000, or by accessing the website at <https://pebp.state.nv.us> under Resources – Fiscal & Utilization Reports.

Employees covered by benefit terms. As of the June 30, 2019 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>0</u>
	<u>9</u>

**Public Employees' Benefit Plan (PEBP):** NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired city employees. As noted above, the City policy is to only fund retirees who retired prior to July 1, 2009. Plan members receiving benefits have their monthly contributions deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy. Effective July 2015, the subsidy provided to pre-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The chart below shows our understanding of monthly amounts payable beginning July 2019 for those with 15 years of PERS service.

Coverage Level	PPO CDHP		Statewide EPO/HMO	
	Base Subsidy	SB 552 Subsidy	Base Subsidy	SB 552 Subsidy
	15 Years of Service			
Retiree Only	\$ 813.80	\$163.65	\$ 398.00	\$ (11.66)
Retiree + Spouse	1,389.86	419.51	630.93	(28.22)
Retiree + Child(ren)	1,212.52	384.79	527.69	( 5.39)
Retiree + Family	1,788.58	640.65	760.62	(21.95)

All Medicare eligible retirees participate in a Medicare Exchange with PEBP providing a service-related contribution to a Health Reimbursement Arrangement (HRA) equal to \$13 per month per year of service (maximum \$260 per month). The contribution requirements of plan members and the City are established and amended by the PEBP board of trustees. As a participating employer, the City is billed for the subsidy on a monthly basis and is legally required under NRS 287.023 to provide for it.

For fiscal year 2021, the City contributed \$1,368 to the plan for current premiums. The City did not prefund any future benefits.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**13. Post-Employment Healthcare Plan (Continued)**

**Important Dates used in the Valuation:**

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Measurement Period:	June 30, 2019 to June 30, 2020
Fiscal Year End:	June 30, 2021

**Significant Results and Differences from the Prior Valuation:**

There were no changes in benefit terms from the prior valuation. Updates were made to the discount rate to reflect the change in the underlying municipal bond index on which it is based. No other assumption changes were made.

**Total Other Post-Employment Benefits (OPEB) Liability**

The City's OPEB liability of \$29,075 was measured as of June 30, 2020 and determined by actuarial valuation as of June 30, 2019.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

	<u>PEBP</u>
Inflation rate	2.50%
Salary increase	Not applicable; there are no active employees in this plan.
Discount rate	Current year – 2.66% Prior year – 2.79%
Healthcare Cost Trend Rates	4.50% for all years.
Retirees' share of benefit-related costs	0%

The discount rate was based on the S & P General Obligation Municipal Bond 20-year High Grade Index.

Mortality rates were based on the NVPERS 2019 experience study with improvements using the Macleod Watts Scale for 2020.

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period of June 30, 2018, to June 30, 2019.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

**NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)**

**13. Post-Employment Healthcare Plan (Continued)**

Changes in the Total OPEB Liability

	PEBP
Service cost	\$ 0
Interest	855
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	440
Benefit payments	<u>( 5,746)</u>
Net changes	<u>( 4,451)</u>
Net OPEB obligation - beginning of the year	33,526
Net OPEB obligation - end of year	<u>\$ 29,075</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% as of June 30, 2019, to 2.66% as of June 30, 2020.

**Sensitivity of the City's total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	<b>1.0% Decrease (1.66%)</b>	<b>Discount Rate (2.66%)</b>	<b>1.0% Increase (3.66%)</b>
PEBP	\$ 32,827	\$ 29,075	\$ 25,944

**Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent higher or lower than the current healthcare cost trend rates:

	<b>1.0% Decrease</b>	<b>Discount Rate</b>	<b>1.0% Increase</b>
PEBP	\$ 26,380	\$ 29,075	\$ 32,239

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the City recognized OPEB expense of \$1,295. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 0	\$ 0
Changes of assumptions or other inputs	0	0
City Contributions subsequent to measurement date	<u>1,368</u>	<u>0</u>
Total	<u>\$ 1,368</u>	<u>\$ 0</u>

\$1,368 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. There were no other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB to be recognized as OPEB expense.



**CITY OF CALIENTE, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER POST EMPLOYMENT**  
**BENEFITS LIABILITY AND RELATED RATIOS**  
**LAST TEN YEARS\***  
**YEAR ENDED JUNE 30, 2021**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	855	4,560	4,663	5,212
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	11,178	-	-
Changes of assumptions or other inputs	440	(128,667)	10,609	(3,417)
Benefit Payments	<u>(5,746)</u>	<u>(13,109)</u>	<u>(12,168)</u>	<u>(11,846)</u>
<b>Net Change in total OPEB liability</b>	<b>(4,451)</b>	<b>(126,038)</b>	<b>3,104</b>	<b>(10,051)</b>
<b>Total OPEB liability - beginning</b>	<u>33,526</u>	<u>159,564</u>	<u>156,460</u>	<u>166,511</u>
<b>Total OPEB liability - ending</b>	<b>\$ 29,075</b>	<b>\$ 33,526</b>	<b>\$ 159,564</b>	<b>\$ 156,460</b>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -
 Total OPEB liability as a percentage of covered- employee payroll	 0.00%	 0.00%	 0.00%	 0.00%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

6/30/2021	2.66
6/30/2020	2.79
6/30/2019	2.98
6/30/2018	3.13
6/30/2017	2.68

*\*Fiscal year 2018 was the first year of implementation. Therefore, only four years are presented.*

See accompanying notes to required supplementary information.

**CITY OF CALIENTE, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S CONTRIBUTIONS TO THE**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA**  
**LAST TEN YEARS\***  
**YEAR ENDED JUNE 30, 2021**

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	\$ 103,439	\$ 103,439	\$ -	\$ 465,001	22.24%
2014	100,913	100,913	-	402,979	25.04%
2015	103,718	103,718	-	405,212	25.60%
2016	116,151	116,151	-	414,825	28.00%
2017	121,534	121,534	-	434,050	28.00%
2018	60,939	60,939	-	435,279	14.00%
2019	46,584	46,584	-	332,743	14.00%
2020	44,301	44,301	-	302,913	14.62%
2021	50,130	50,130	-	351,229	14.27%

Beginning with the year-ended 2018, all contributions shown reflect employer-paid contributions only, and employer-paid member contributions are excluded. Actuarially determined contributions above are based on actuarially determined contribution rates (employer portion only) from the most recent rate-setting year prior to the year shown, applied to covered payroll for year shown.

*\*Information prior to 2013 is not available.*

See accompanying notes to required supplementary information.

**CITY OF CALIENTE, NEVADA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA**  
**LAST TEN YEARS\***  
**YEAR ENDED JUNE 30, 2021**

Reporting Year Ended June 30:	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered- employee payroll	City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.00672%	700,711	402,979	173.88%	76.31%
2016	0.00671%	769,441	405,212	189.89%	75.10%
2017	0.00684%	919,902	414,825	221.76%	72.20%
2018	0.00667%	887,360	434,050	204.44%	74.40%
2019	0.00643%	876,670	435,279	201.40%	75.20%
2020	0.00481%	655,576	332,743	197.02%	76.50%
2021	0.00422%	587,553	302,913	193.97%	77.00%

*The City's proportionate share of the net pension liability is based upon the measurement taken on June 30th of the prior year.*

*\*Fiscal year 2015 was the first year of implementation. Therefore, only seven years are shown.*

See accompanying notes to required supplementary information.

**CITY OF CALIENTE, NEVADA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**

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**Note 1 – Net Pension Liability**

*Changes in benefit terms.* There have been no changes in benefit terms since the last valuation.

*Changes in assumptions.* No changes of assumptions since the last valuation.

**Note 2 – Other Post-Employment Benefits Liability**

*Changes in benefit terms.* There have been no changes in benefit terms since the last valuation.

*Changes in assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	\$ 110,807	\$ 141,823
Taxes receivable	2,025	2,468
Due from other governments	109,534	34,350
Prepaid expenses	17,959	-
Due from other funds	<u>2,751</u>	<u>-</u>
Total assets	<u>\$ 243,076</u>	<u>\$ 178,641</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 94,231	\$ 10,789
Accrued payroll	<u>27,097</u>	<u>18,423</u>
Total liabilities	<u>121,328</u>	<u>29,212</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue - property taxes	776	2,128
Unavailable revenue - grant revenue	<u>77,617</u>	<u>-</u>
Total deferred inflows of resources	<u>78,393</u>	<u>2,128</u>
<b><u>FUND BALANCE</u></b>		
Nonspendable	17,959	-
Assigned for subsequent year	25,396	70,635
Unassigned	<u>-</u>	<u>76,666</u>
Total fund balance	<u>43,355</u>	<u>147,301</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 243,076</u>	<u>\$ 178,641</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
Taxes	\$ 140,286	\$ 154,470	\$ 14,184	\$ 145,254
Licenses and permits	13,850	11,599	(2,251)	14,946
Intergovernmental	469,574	411,965	(57,609)	243,095
Charges for services	1,500	2,925	1,425	728
Miscellaneous	28,200	14,676	(13,524)	17,895
Total revenues	<u>653,410</u>	<u>595,635</u>	<u>(57,775)</u>	<u>421,918</u>
<b>Expenditures:</b>				
General government	493,943	565,324	(71,381)	286,669
Judicial	37,000	33,500	3,500	33,500
Public safety	87,543	98,141	(10,598)	66,834
Health and sanitation	6,686	1,616	5,070	1,201
Contingency	10,658	-	10,658	-
Total expenditures	<u>635,830</u>	<u>698,581</u>	<u>(62,751)</u>	<u>388,204</u>
Excess (deficiency) of revenues over expenditures	<u>17,580</u>	<u>(102,946)</u>	<u>(120,526)</u>	<u>33,714</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	10,000	30,000	20,000	-
Operating transfers out	<u>(71,000)</u>	<u>(31,000)</u>	<u>40,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(61,000)</u>	<u>(1,000)</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	(43,420)	(103,946)	(60,526)	33,714
<b>Fund balance:</b>				
Beginning of year	<u>70,635</u>	<u>147,301</u>	<u>76,666</u>	<u>113,587</u>
End of year	<u>\$ 27,215</u>	<u>\$ 43,355</u>	<u>\$ 16,140</u>	<u>\$ 147,301</u>

**GENERAL FUND**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Property taxes	\$ 140,286	\$ 154,470	\$ 14,184	\$ 145,254
<b>Licenses and permits:</b>				
Business licenses	9,000	5,911	(3,089)	9,745
City gaming licenses	1,800	1,680	(120)	1,308
Liquor licenses	3,000	4,000	1,000	3,460
Dog licenses	50	8	(42)	12
Franchise fees	-	-	-	421
Total licenses and permits	13,850	11,599	(2,251)	14,946
<b>Intergovernmental:</b>				
County gaming tax	4,000	3,150	(850)	3,120
Grants	320,591	242,974	(77,617)	81,011
Consolidated tax	144,983	165,841	20,858	158,964
Total intergovernmental	469,574	411,965	(57,609)	243,095
<b>Charges for services:</b>				
Cemetery fees	1,500	2,925	1,425	728
<b>Miscellaneous:</b>				
Investment income	700	2,143	1,443	1,881
Rent	22,500	10,814	(11,686)	11,098
Donations	-	750	750	523
Other	5,000	969	(4,031)	4,393
Total miscellaneous	28,200	14,676	(13,524)	17,895
Total revenues	\$ 653,410	\$ 595,635	\$ (57,775)	\$ 421,918

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Mayor and City Council:</b>				
Salaries and wages	\$ 9,984	\$ 9,600	\$ 384	\$ 9,600
Employee benefits	3,417	1,765	1,652	2,151
Services and supplies	<u>5,858</u>	<u>5,331</u>	<u>527</u>	<u>5,247</u>
Total Mayor and City Council	<u>19,259</u>	<u>16,696</u>	<u>2,563</u>	<u>16,998</u>
 <b>City Hall General Administration:</b>				
Salaries and wages	36,480	61,391	(24,911)	60,358
Employee benefits	23,172	44,911	(21,739)	37,570
Services and supplies	<u>93,431</u>	<u>159,080</u>	<u>(65,649)</u>	<u>132,886</u>
Total City Hall General Administration	<u>153,083</u>	<u>265,382</u>	<u>(112,299)</u>	<u>230,814</u>
 <b>Grant Administrator:</b>				
Services and supplies	-	37,481	(37,481)	37,707
Capital outlay	<u>320,591</u>	<u>244,671</u>	<u>75,920</u>	<u>-</u>
Total Grant Administrator	<u>320,591</u>	<u>282,152</u>	<u>38,439</u>	<u>37,707</u>
 <b>Communications Tower:</b>				
Services and supplies	<u>1,010</u>	<u>1,094</u>	<u>(84)</u>	<u>1,150</u>
 Total general government	<u>493,943</u>	<u>565,324</u>	<u>(71,381)</u>	<u>286,669</u>
 <b>Judicial:</b>				
<b>City Attorney:</b>				
Services and supplies	30,000	30,000	-	30,000
 <b>Municipal Court:</b>				
Services and supplies	<u>7,000</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
Total judicial	<u>37,000</u>	<u>33,500</u>	<u>3,500</u>	<u>33,500</u>
 <b>Public Safety:</b>				
<b>Police Department:</b>				
Services and supplies	<u>87,543</u>	<u>98,141</u>	<u>(10,598)</u>	<u>66,834</u>



**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Expenditures:</b>				
<b>Health and Sanitation:</b>				
<b>Cemetery:</b>				
Salaries and wages	\$ 490	\$ 897	\$ (407)	\$ 253
Employee benefits	413	373	40	95
Services and supplies	<u>4,545</u>	<u>8</u>	<u>4,537</u>	<u>853</u>
Total cemetery	<u>5,448</u>	<u>1,278</u>	<u>4,170</u>	<u>1,201</u>
<b>Animal Control:</b>				
Salaries and wages	438	148	290	-
Employee benefits	295	133	162	-
Services and supplies	<u>505</u>	<u>57</u>	<u>448</u>	<u>-</u>
Total animal control	<u>1,238</u>	<u>338</u>	<u>900</u>	<u>-</u>
Total health and sanitation	<u>6,686</u>	<u>1,616</u>	<u>5,070</u>	<u>1,201</u>
<b>Contingency</b>	<u>10,658</u>	<u>-</u>	<u>10,658</u>	<u>-</u>
Total expenditures	<u>\$ 635,830</u>	<u>\$ 698,581</u>	<u>\$ (62,751)</u>	<u>\$ 388,204</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash	\$ 148,158	\$ 148,068
Accounts receivable, net of allowance for uncollectible accounts (\$7,486)	15,390	22,550
Prepaid expenses	<u>26,938</u>	<u>-</u>
Total current assets	<u>190,486</u>	<u>170,618</u>
<b>Restricted assets:</b>		
Cash	<u>22,177</u>	<u>22,155</u>
<b>Capital assets:</b>		
Land	4,016	4,016
Buildings	31,807	31,807
Machinery, equipment, and plant	3,262,365	3,252,687
Accumulated depreciation	<u>(2,921,106)</u>	<u>(2,826,498)</u>
Capital assets, net of accumulated depreciation	<u>377,082</u>	<u>462,012</u>
Total assets	<u>589,745</u>	<u>654,785</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension charge	<u>14,501</u>	<u>15,561</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 3,624	\$ 385
Accrued payroll	2,038	3,394
Accrued compensated absences	1,616	2,388
Accrued interest	58	60
Bonds payable - current	<u>5,778</u>	<u>5,524</u>
Total current liabilities	<u>13,114</u>	<u>11,751</u>
<b>Non-current liabilities:</b>		
Accrued compensated absences	540	784
Revenue bond payable, net of current portion	232,234	238,910
Net pension liability	<u>53,886</u>	<u>59,828</u>
Total non-current liabilities	<u>286,660</u>	<u>299,522</u>
Total liabilities	<u>299,774</u>	<u>311,273</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Pension charge	<u>23,276</u>	<u>23,081</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	139,070	217,578
Restricted for debt service	16,368	16,368
Restricted for capital improvements	5,809	5,787
Unrestricted	<u>119,949</u>	<u>96,259</u>
Total net position	<u>\$ 281,196</u>	<u>\$ 335,992</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER**  
**SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Operating revenues:</b>				
Charges for services	\$ 229,000	\$ 241,497	\$ 12,497	\$ 242,603
<b>Operating expenses:</b>				
Water:				
Salaries and wages	58,973	51,120	7,853	44,686
Employee benefits	41,987	29,253	12,734	26,260
Services and supplies	103,613	76,687	26,926	62,820
General administration	26,683	34,687	(8,004)	30,695
Bad debt expense	-	-	-	6,245
Depreciation	176,000	94,608	81,392	173,941
Total operating expenses	407,256	286,355	120,901	344,647
Operating income (loss)	(178,256)	(44,858)	133,398	(102,044)
<b>Non-operating revenues (expenses):</b>				
Investment income	-	7	7	8
Penalties	2,000	-	(2,000)	1,230
Gain (loss) on disposal of capital assets	-	-	-	9,633
Interest expense	(10,844)	(9,945)	899	(11,928)
Total non-operating revenues (expenses)	(8,844)	(9,938)	(1,094)	(1,057)
Change in net position before special items	(187,100)	(54,796)	132,304	(103,101)
<b>Special items:</b>				
Gain on OPEB liability	-	-	-	14,430
Change in net position	\$ (187,100)	(54,796)	\$ 132,304	(88,671)
<b>Net position:</b>				
Beginning of year		335,992		424,663
End of year		\$ 281,196		\$ 335,992

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**For the Years Ended June 30, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 248,657	\$ 236,692
Cash paid for salaries, wages, and employee benefits	(106,184)	(96,088)
Cash paid for services and supplies	(116,321)	(56,256)
Net cash provided (used) by operating activities	<u>26,152</u>	<u>84,348</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - bonds/notes payable	(6,422)	(4,378)
Grants and other	-	1,230
Interest paid	(9,947)	(11,990)
Purchase of capital assets	(9,678)	(6,186)
Proceeds from the sale of assets	-	9,633
Net cash provided (used) by capital and related financing activities	<u>(26,047)</u>	<u>(11,691)</u>
<b>Cash flows from investing activities:</b>		
Investment income	<u>7</u>	<u>8</u>
Net increase (decrease) in cash and cash equivalents	112	72,665
<b>Cash:</b>		
Beginning of year	<u>170,223</u>	<u>97,558</u>
End of year	<u>\$ 170,335</u>	<u>\$ 170,223</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ (44,858)	\$ (102,044)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation and amortization	94,608	173,941
(Increase) decrease in prepaid expenses	(26,938)	22,343
(Increase) decrease in accounts receivable	7,160	334
(Increase) decrease in deferred outflows - pension charges	1,060	(4,373)
(Increase) decrease in deferred outflows - OPEB	-	1,404
Increase (decrease) in accounts payable	3,239	(1,599)
Increase (decrease) in accrued payroll	(1,356)	(38)
Increase (decrease) in OPEB obligation payable	-	(1,404)
Increase (decrease) in accrued compensated absences	(1,016)	(427)
Increase (decrease) in net pension liability	(5,942)	(19,319)
Increase (decrease) in deferred inflows - pension charges	<u>195</u>	<u>15,530</u>
Total adjustments	<u>71,010</u>	<u>186,392</u>
Net cash provided (used) by operating activities	<u>\$ 26,152</u>	<u>\$ 84,348</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Accounts receivable, net of allowance for uncollectible accounts (\$6,457)	\$ 17,228	\$ 19,449
<b>Restricted assets:</b>		
Cash	127,458	127,307
<b>Capital assets:</b>		
Land	262,453	262,453
Buildings	38,473	38,473
Machinery, equipment, and plant	4,481,530	4,467,013
Accumulated depreciation	(3,060,777)	(2,956,027)
Capital assets, net of accumulated depreciation	1,721,679	1,811,912
Total assets	1,866,365	1,958,668
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension charge	11,793	11,295

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 4,214	\$ 1,884
Accrued payroll	1,769	2,517
Due to other funds	64,824	39,373
Accrued compensated absences	1,405	2,059
Accrued interest	4,190	4,457
Bonds payable - current	44,016	41,955
Total current liabilities	<u>120,418</u>	<u>92,245</u>
<b>Non-current liabilities:</b>		
Accrued compensated absences	465	676
Revenue bond payable, net of current portion	758,234	806,870
Net pension liability	50,574	56,152
Total non-current liabilities	<u>809,273</u>	<u>863,698</u>
Total liabilities	<u>929,691</u>	<u>955,943</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Pension charge	<u>21,846</u>	<u>21,663</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	919,429	963,087
Restricted for debt service	110,195	110,195
Restricted for capital improvements	17,263	17,112
Unrestricted	(120,266)	(98,037)
Total net position	<u>\$ 926,621</u>	<u>\$ 992,357</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER**  
**SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Operating revenues:</b>				
Charges for services	\$ 206,100	\$ 209,534	\$ 3,434	\$ 209,172
<b>Operating expenses:</b>				
Sewer:				
Salaries and wages	61,102	39,285	21,817	31,333
Employee benefits	36,995	22,615	14,380	18,519
Services and supplies	28,886	44,013	(15,127)	24,845
General administration	24,387	30,096	(5,709)	26,466
Bad debt expense	-	-	-	5,267
Depreciation	140,500	104,750	35,750	141,870
Total operating expenses	291,870	240,759	51,111	248,300
Operating income (loss)	(85,770)	(31,225)	54,545	(39,128)
<b>Non-operating revenues (expenses):</b>				
Investment income	-	150	150	186
Penalties	1,771	-	(1,771)	1,060
Standby fees	2,100	-	(2,100)	-
Gain (loss) on disposal of capital assets	-	-	-	31,268
Interest expense	(39,549)	(34,661)	4,888	(45,375)
Total non-operating revenues (expenses)	(35,678)	(34,511)	1,167	(12,861)
Change in net position before special items	(121,448)	(65,736)	55,712	(51,989)
<b>Special items:</b>				
Gain on OPEB liability	-	-	-	13,544
Change in net position	\$ (121,448)	(65,736)	\$ 55,712	(38,445)
<b>Net position:</b>				
Beginning of year		992,357		1,030,802
End of year		\$ 926,621		\$ 992,357



**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 211,755	\$ 206,381
Cash paid for salaries, wages, and employee benefits	(85,676)	(69,160)
Cash paid for services and supplies	(55,509)	(37,918)
Net cash provided (used) by operating activities	<u>70,570</u>	<u>99,303</u>
<b>Cash flows from non-capital financing activities:</b>		
Due to/from other funds	<u>25,451</u>	<u>(23,842)</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - bonds payable	(46,575)	(35,880)
Grants and other	-	1,060
Interest paid	(34,928)	(45,624)
Purchase of capital assets	(14,517)	(26,285)
Proceeds from the sale of assets	-	31,268
Net cash (used) by capital and related financing activities	<u>(96,020)</u>	<u>(75,461)</u>
<b>Cash flows from investing activities:</b>		
Investment income	<u>150</u>	<u>186</u>
Net increase in cash and cash equivalents	151	186
<b>Cash:</b>		
Beginning of year	<u>127,307</u>	<u>127,121</u>
End of year	<u>\$ 127,458</u>	<u>\$ 127,307</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	<u>\$ (31,225)</u>	<u>\$ (39,128)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation and amortization	104,750	141,870
(Increase) decrease in accounts receivable	2,221	2,476
(Increase) decrease in deferred outflows - pension charges	(498)	(794)
(Increase) decrease in deferred outflows - OPEB	-	1,317
Increase (decrease) in accounts payable	2,330	(847)
Increase (decrease) in accrued payroll	(748)	(76)
Increase (decrease) in OPEB obligation payable	-	(1,317)
Increase (decrease) in accrued compensated absences	(865)	(643)
Increase (decrease) in net pension liability	(5,578)	(18,131)
Increase (decrease) in deferred inflows - pension charges	183	14,576
Total adjustments	<u>101,795</u>	<u>138,431</u>
Net cash provided (used) by operating activities	<u>\$ 70,570</u>	<u>\$ 99,303</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash	\$ 429,345	\$ 549,749
Accounts receivable, net of allowance for uncollectible accounts (\$32,323)	95,572	97,366
Prepaid expenses	26,939	-
Due from other funds	<u>93,778</u>	<u>39,373</u>
 Total current assets	 <u>645,634</u>	 <u>686,488</u>
<b>Restricted assets:</b>		
Cash	<u>12,646</u>	<u>12,632</u>
<b>Capital assets:</b>		
Land	4,016	4,016
Buildings	40,304	40,304
Machinery, equipment, and plant	2,204,515	2,204,515
Accumulated depreciation	<u>(1,577,521)</u>	<u>(1,502,952)</u>
Capital assets, net of accumulated depreciation	<u>671,314</u>	<u>745,883</u>
 Total assets	 <u>1,329,594</u>	 <u>1,445,003</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension charge	<u>21,731</u>	<u>29,472</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 81,145	\$ 79,828
Accrued payroll	10,834	10,152
Accrued compensated absences	8,592	12,328
Note payable - current	<u>45,487</u>	<u>43,219</u>
Total current liabilities	<u>146,058</u>	<u>145,527</u>
<b>Current liabilities payable from restricted cash:</b>		
Customer deposits	<u>38,476</u>	<u>36,501</u>
<b>Non-current liabilities:</b>		
Accrued compensated absences	2,865	4,047
Note payable, net of current portion	67,869	113,357
Net pension liability	<u>306,073</u>	<u>339,833</u>
Total non-current liabilities	<u>376,807</u>	<u>457,237</u>
Total liabilities	<u>561,341</u>	<u>639,265</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Pension charge	<u>132,217</u>	<u>131,108</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	557,958	589,307
Unrestricted	<u>99,809</u>	<u>114,795</u>
Total net position	<u>\$ 657,767</u>	<u>\$ 704,102</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY**  
**SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Operating revenues:</b>				
Charges for services	\$ 1,264,000	\$ 1,268,783	\$ 4,783	\$ 1,237,649
<b>Operating expenses:</b>				
Electricity:				
Salaries and wages	5,383	12,648	(7,265)	20,258
Employee benefits	3,720	8,716	(4,996)	12,400
Services and supplies	1,072,620	1,036,302	36,318	1,010,162
General administration	154,959	183,316	(28,357)	157,552
Bad debt expense	-	-	-	26,409
Depreciation	78,000	74,569	3,431	76,986
Total operating expenses	<u>1,314,682</u>	<u>1,315,551</u>	<u>(869)</u>	<u>1,303,767</u>
Operating income (loss)	<u>(50,682)</u>	<u>(46,768)</u>	<u>3,914</u>	<u>(66,118)</u>
<b>Non-operating revenues (expenses):</b>				
Investment income	-	15	15	19
Penalties	13,333	-	(13,333)	6,311
Standby fees	2,160	-	(2,160)	-
Debt surcharge	7,500	7,504	4	7,577
Gain (loss) on disposal of capital assets	-	-	-	1,002
Interest expense	(7,085)	(7,086)	(1)	(9,861)
Total non-operating revenues (expenses)	<u>15,908</u>	<u>433</u>	<u>(15,475)</u>	<u>5,048</u>
Change in net position before special items	(34,774)	(46,335)	(11,561)	(61,070)
<b>Special items:</b>				
Gain on OPEB liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,440</u>
Change in net position	<u>\$ (34,774)</u>	(46,335)	<u>\$ (11,561)</u>	21,370
<b>Net position:</b>				
Beginning of year		<u>704,102</u>		<u>682,732</u>
End of year		<u>\$ 657,767</u>		<u>\$ 704,102</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR FUND - PROPRIETARY FUND UTILITY ENTERPRISE FUND-ELECTRICITY**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 1,272,552	\$ 1,230,493
Cash paid for salaries, wages, and employee benefits	(149,611)	(105,806)
Cash paid for services and supplies	(1,146,139)	(1,045,675)
Net cash provided (used) by operating activities	<u>(23,198)</u>	<u>79,012</u>
<b>Cash flows from non-capital financing activities:</b>		
Due to/from other funds	<u>(54,405)</u>	<u>23,842</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - notes payable	(43,220)	(40,445)
Debt surcharge	7,504	7,577
Grants and other	-	6,311
Interest paid	(7,086)	(9,861)
Purchase of capital assets	-	(6,186)
Proceeds from the sale of assets	-	1,002
Net cash provided (used) by capital and related financing activities	<u>(42,802)</u>	<u>(41,602)</u>
<b>Cash flows from investing activities:</b>		
Investment income	<u>15</u>	<u>19</u>
Net increase (decrease) in cash and cash equivalents	(120,390)	61,271
<b>Cash:</b>		
Beginning of year	<u>562,381</u>	<u>501,110</u>
End of year	<u><u>\$ 441,991</u></u>	<u><u>\$ 562,381</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	<u>\$ (46,768)</u>	<u>\$ (66,118)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation and amortization	74,569	76,986
(Increase) decrease in prepaid expenses	(26,939)	19,790
(Increase) decrease in accounts receivable	1,794	11,648
(Increase) decrease in deferred outflows - pension charges	7,741	34,083
(Increase) decrease in deferred outflows - OPEB	-	8,020
Increase (decrease) in accounts payable	1,317	17,479
Increase (decrease) in accrued payroll	682	3,255
Increase (decrease) in customer deposits	1,975	7,605
Increase (decrease) in OPEB obligation payable	-	(8,020)
Increase (decrease) in accrued compensated absences	(4,918)	(4,189)
Increase (decrease) in net pension liability	(33,760)	(109,745)
Increase (decrease) in deferred inflows - pension charges	1,109	88,218
Total adjustments	<u>23,570</u>	<u>145,130</u>
Net cash provided (used) by operating activities	<u><u>\$ (23,198)</u></u>	<u><u>\$ 79,012</u></u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR UTILITY ENTERPRISE FUND - WASTE COLLECTION**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash	\$ -	\$ 36,450
Accounts receivable, net of allowance for uncollectible accounts (\$3,505)	<u>12,392</u>	<u>10,559</u>
Total current assets	<u>12,392</u>	<u>47,009</u>
<b>Capital assets:</b>		
Land	4,016	4,016
Buildings	26,906	26,906
Machinery, equipment, and plant	247,619	247,619
Accumulated depreciation	<u>(254,804)</u>	<u>(252,535)</u>
Capital assets, net of accumulated depreciation	<u>23,737</u>	<u>26,006</u>
Total assets	<u>36,129</u>	<u>73,015</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension charge	<u>14,812</u>	<u>17,024</u>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable	5,896	1,268
Accrued payroll	1,443	4,541
Due to other funds	28,954	-
Accrued compensated absences	<u>1,146</u>	<u>1,639</u>
Total current liabilities	<u>37,439</u>	<u>7,448</u>
<b>Non-current liabilities:</b>		
Accrued compensated absences	380	538
Net pension liability	<u>40,488</u>	<u>44,959</u>
Total non-current liabilities	<u>40,868</u>	<u>45,497</u>
Total liabilities	<u>78,307</u>	<u>52,945</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Pension charge	<u>17,507</u>	<u>17,358</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	23,737	26,006
Unrestricted	<u>(68,610)</u>	<u>(6,270)</u>
Total net position	<u>\$ (44,873)</u>	<u>\$ 19,736</u>

**CITY OF CALIENTE, NEVADA**  
**MAJOR UTILITY ENTERPRISE FUND - WASTE COLLECTION**  
**SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Operating revenues:</b>				
Charges for services	\$ 170,000	\$ 170,952	\$ 952	\$ 166,559
<b>Operating expenses:</b>				
Waste collection:				
Salaries and wages	31,390	57,336	(25,946)	50,228
Employee benefits	22,945	35,173	(12,228)	31,582
Services and supplies	119,213	116,229	2,984	88,881
General administration	20,591	24,554	(3,963)	21,074
Bad debt expense	-	-	-	2,853
Depreciation	1,000	2,269	(1,269)	2,269
Total operating expenses	195,139	235,561	(40,422)	196,887
Operating income (loss)	(25,139)	(64,609)	(39,470)	(30,328)
<b>Non-operating revenues (expenses):</b>				
Penalties	1,523	-	(1,523)	844
Gain on disposal of capital assets	-	-	-	9,465
Total non-operating revenues (expenses)	1,523	-	(1,523)	10,309
Change in net position before special items	(23,616)	(64,609)	(40,993)	(20,019)
<b>Special items:</b>				
Gain on OPEB liability	-	-	-	10,846
Change in net position	\$ (23,616)	(64,609)	\$ (40,993)	(9,173)
<b>Net position:</b>				
Beginning of year		19,736		28,909
End of year		\$ (44,873)		\$ 19,736

**CITY OF CALIENTE, NEVADA**  
**MAJOR UTILITY ENTERPRISE FUND - WASTE COLLECTION**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 169,119	\$ 165,178
Cash paid for salaries, wages, and employee benefits	(111,642)	(105,686)
Cash paid for services and supplies	(122,881)	(106,397)
Net cash provided (used) by operating activities	(65,404)	(46,905)
<b>Cash flows from non-capital financing activities:</b>		
Due to/from other funds	28,954	-
<b>Cash flows from capital and related financing activities:</b>		
Grants and other	-	844
Proceeds from the sale of assets	-	9,465
Net cash provided (used) by capital and related financing activities	-	10,309
Net increase (decrease) in cash and cash equivalents	(36,450)	(36,596)
<b>Cash:</b>		
Beginning of year	36,450	73,046
End of year	\$ -	\$ 36,450
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ (64,609)	\$ (30,328)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation and amortization	2,269	2,269
(Increase) decrease in accounts receivable	(1,833)	1,472
(Increase) decrease in deferred outflows - pension charges	2,212	(8,615)
(Increase) decrease in deferred outflows - OPEB	-	1,055
Increase (decrease) in accounts payable	4,628	(7,781)
Increase (decrease) in accrued payroll	(3,098)	(549)
Increase (decrease) in OPEB obligation payable	-	(1,055)
Increase (decrease) in accrued compensated absences	(651)	(528)
Increase (decrease) in net pension liability	(4,471)	(14,528)
Increase (decrease) in deferred inflows - pension charges	149	11,683
Total adjustments	(795)	(16,577)
Net cash provided (used) by operating activities	\$ (65,404)	\$ (46,905)



**CITY OF CALIENTE, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals
<b><u>ASSETS</u></b>				
Pooled cash	\$ 439,538	\$ 14,508	\$ 69,212	\$ 523,258
Taxes receivable	4,057	-	-	4,057
Due from other governments	16,317	-	-	16,317
Prepaid expenses	17,959	-	-	17,959
Accounts receivable	<u>11,984</u>	<u>-</u>	<u>-</u>	<u>11,984</u>
Total assets	<u>\$ 489,855</u>	<u>\$ 14,508</u>	<u>\$ 69,212</u>	<u>\$ 573,575</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 632	\$ -	\$ -	\$ 632
Accrued payroll	9,053	-	-	9,053
Due to other funds	<u>2,751</u>	<u>-</u>	<u>-</u>	<u>2,751</u>
Total liabilities	<u>12,436</u>	<u>-</u>	<u>-</u>	<u>12,436</u>
<b><u>FUND BALANCE</u></b>				
Nonspendable	17,959	-	-	17,959
Restricted for:				
General government	4,231	-	-	4,231
Judicial	1,815	-	-	1,815
Public safety	19,901	-	-	19,901
Public works	11,012	-	-	11,012
Capital projects	-	-	69,212	69,212
Debt service	-	14,508	-	14,508
Committed for:				
General government	269,029	-	-	269,029
Culture and recreation	<u>153,472</u>	<u>-</u>	<u>-</u>	<u>153,472</u>
Total fund balance	<u>477,419</u>	<u>14,508</u>	<u>69,212</u>	<u>561,139</u>
Total liabilities and fund balance	<u>\$ 489,855</u>	<u>\$ 14,508</u>	<u>\$ 69,212</u>	<u>\$ 573,575</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals
<b>Revenues:</b>				
Taxes	\$ 83,040	\$ -	\$ -	\$ 83,040
Licenses and permits	7,254	14,508	14,508	36,270
Intergovernmental	96,349	-	8,408	104,757
Charges for services	74,267	-	-	74,267
Miscellaneous	<u>14,980</u>	<u>-</u>	<u>-</u>	<u>14,980</u>
 Total revenues	 <u>275,890</u>	 <u>14,508</u>	 <u>22,916</u>	 <u>313,314</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	368	-	-	368
Public safety	25,721	-	-	25,721
Public works	123,981	-	-	123,981
Culture and recreation	75,092	-	-	75,092
Intergovernmental	2,891	-	-	2,891
Debt service	12,208	-	-	12,208
Capital projects	<u>-</u>	<u>-</u>	<u>12,800</u>	<u>12,800</u>
 Total expenditures	 <u>240,261</u>	 <u>-</u>	 <u>12,800</u>	 <u>253,061</u>
 Excess (deficiency) of revenues over expenditures	 <u>35,629</u>	 <u>14,508</u>	 <u>10,116</u>	 <u>60,253</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	61,000	-	-	61,000
Operating transfers out	<u>(60,000)</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
 Total other financing sources (uses):	 <u>1,000</u>	 <u>-</u>	 <u>-</u>	 <u>1,000</u>
 Net change in fund balance	 36,629	 14,508	 10,116	 61,253
<b>Fund balance:</b>				
Beginning of year	<u>440,790</u>	<u>-</u>	<u>59,096</u>	<u>499,886</u>
 End of year	 <u>\$ 477,419</u>	 <u>\$ 14,508</u>	 <u>\$ 69,212</u>	 <u>\$ 561,139</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Streets	Parks and Recreation	Room Tax	Beautification Committee	Municipal Court AA Fees
<b><u>ASSETS</u></b>					
Pooled cash	\$ -	\$ 22,866	\$ 116,621	\$ 11,467	\$ 1,815
Taxes receivable	-	-	4,057	-	-
Due from other governments	16,317	-	-	-	-
Prepaid expenses	17,959	-	-	-	-
Accounts receivable	-	5,567	-	-	-
Total assets	<u>\$ 34,276</u>	<u>\$ 28,433</u>	<u>\$ 120,678</u>	<u>\$ 11,467</u>	<u>\$ 1,815</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ -	\$ -	\$ 607	\$ -	\$ -
Accrued payroll	2,554	6,499	-	-	-
Due to other funds	<u>2,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,305</u>	<u>6,499</u>	<u>607</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>					
Nonspendable	17,959	-	-	-	-
Restricted:					
General government	-	-	-	-	-
Judicial	-	-	-	-	1,815
Public safety	-	-	-	-	-
Public works	11,012	-	-	-	-
Committed:					
General government	-	-	-	-	-
Culture and recreation	-	21,934	120,071	11,467	-
Total fund balance	<u>28,971</u>	<u>21,934</u>	<u>120,071</u>	<u>11,467</u>	<u>1,815</u>
Total liabilities and fund balance	<u>\$ 34,276</u>	<u>\$ 28,433</u>	<u>\$ 120,678</u>	<u>\$ 11,467</u>	<u>\$ 1,815</u>

Meadow Valley Industrial Park	Heritage Museum Board	Fire	Special License	Marijuana Oversight	Emergency Relief	Totals	
						2021	2020
\$ 71,800	\$ 4,231	\$ 13,484	\$ 190,000	\$ 3,627	\$ 3,627	\$ 439,538	\$ 411,248
-	-	-	-	-	-	4,057	5,991
-	-	-	-	-	-	16,317	18,186
-	-	-	-	-	-	17,959	-
-	-	6,417	-	-	-	11,984	11,045
<u>\$ 71,800</u>	<u>\$ 4,231</u>	<u>\$ 19,901</u>	<u>\$ 190,000</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>	<u>\$ 489,855</u>	<u>\$ 446,470</u>
\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632	\$ 3,034
-	-	-	-	-	-	9,053	2,646
-	-	-	-	-	-	2,751	-
<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,436</u>	<u>5,680</u>
-	-	-	-	-	-	17,959	-
-	4,231	-	-	-	-	4,231	3,113
-	-	-	-	-	-	1,815	1,815
-	-	19,901	-	-	-	19,901	21,720
-	-	-	-	-	-	11,012	25,603
71,775	-	-	190,000	3,627	3,627	269,029	251,962
-	-	-	-	-	-	153,472	136,577
<u>71,775</u>	<u>4,231</u>	<u>19,901</u>	<u>190,000</u>	<u>3,627</u>	<u>3,627</u>	<u>477,419</u>	<u>440,790</u>
<u>\$ 71,800</u>	<u>\$ 4,231</u>	<u>\$ 19,901</u>	<u>\$ 190,000</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>	<u>\$ 489,855</u>	<u>\$ 446,470</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Streets	Parks and Recreation	Room Tax	Beautification Committee	Municipal Court AA Fees
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 83,040	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	96,349	-	-	-	-
Charges for services	-	38,157	-	-	-
Miscellaneous	-	-	17	3,664	-
	<u>-</u>	<u>-</u>	<u>17</u>	<u>3,664</u>	<u>-</u>
Total revenues	<u>96,349</u>	<u>38,157</u>	<u>83,057</u>	<u>3,664</u>	<u>-</u>
<b>Expenditures:</b>					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	123,981	-	-	-	-
Culture and recreation	-	56,249	18,843	-	-
Intergovernmental	-	-	2,891	-	-
Debt service	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>123,981</u>	<u>56,249</u>	<u>21,734</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(27,632)</u>	<u>(18,092)</u>	<u>61,323</u>	<u>3,664</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	31,000	30,000	-	-	-
Operating transfers out	-	-	(60,000)	-	-
Sale of general capital assets	-	-	-	-	-
Total other financing sources (uses):	<u>31,000</u>	<u>30,000</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,368	11,908	1,323	3,664	-
<b>Fund balance:</b>					
Beginning of year	<u>25,603</u>	<u>10,026</u>	<u>118,748</u>	<u>7,803</u>	<u>1,815</u>
End of year	<u>\$ 28,971</u>	<u>\$ 21,934</u>	<u>\$ 120,071</u>	<u>\$ 11,467</u>	<u>\$ 1,815</u>

Meadow Valley Industrial Park	Heritage Museum Board	Fire	Special License	Marijuana Oversight	Emergency Relief	Totals	
						2021	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,040	\$ 81,047
-	-	-	-	3,627	3,627	7,254	60,000
-	-	-	-	-	-	96,349	95,266
-	-	36,110	-	-	-	74,267	73,547
<u>10,110</u>	<u>1,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,980</u>	<u>19,712</u>
<u>10,110</u>	<u>1,189</u>	<u>36,110</u>	<u>-</u>	<u>3,627</u>	<u>3,627</u>	<u>275,890</u>	<u>329,572</u>
297	71	-	-	-	-	368	1,478
-	-	25,721	-	-	-	25,721	26,373
-	-	-	-	-	-	123,981	94,602
-	-	-	-	-	-	75,092	91,390
-	-	-	-	-	-	2,891	2,306
<u>-</u>	<u>-</u>	<u>12,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,208</u>	<u>12,208</u>
<u>297</u>	<u>71</u>	<u>37,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,261</u>	<u>228,357</u>
<u>9,813</u>	<u>1,118</u>	<u>(1,819)</u>	<u>-</u>	<u>3,627</u>	<u>3,627</u>	<u>35,629</u>	<u>101,215</u>
-	-	-	-	-	-	61,000	30,000
-	-	-	-	-	-	(60,000)	(30,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,081</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,081</u>
9,813	1,118	(1,819)	-	3,627	3,627	36,629	102,296
<u>61,962</u>	<u>3,113</u>	<u>21,720</u>	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>440,790</u>	<u>338,494</u>
<u>\$ 71,775</u>	<u>\$ 4,231</u>	<u>\$ 19,901</u>	<u>\$ 190,000</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>	<u>\$ 477,419</u>	<u>\$ 440,790</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - STREETS SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	\$ -	\$ 7,644
Due from other governments	16,317	18,186
Prepaid expense	<u>17,959</u>	<u>-</u>
Total assets	<u>\$ 34,276</u>	<u>\$ 25,830</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 13
Accrued payroll	2,554	214
Due to other funds	<u>2,751</u>	<u>-</u>
Total liabilities	<u>5,305</u>	<u>227</u>
<b><u>FUND BALANCE</u></b>		
Nonspendable	17,959	-
Restricted for public works	<u>11,012</u>	<u>25,603</u>
Total fund balance	<u>28,971</u>	<u>25,603</u>
Total liabilities and fund balance	<u>\$ 34,276</u>	<u>\$ 25,830</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - STREETS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Gas tax \$1.75	\$ 3,330	\$ 3,529	\$ 199	\$ 3,038
Gas tax \$2.35	86,208	85,867	(341)	85,857
Optional \$0.01 gas tax	<u>6,561</u>	<u>6,953</u>	<u>392</u>	<u>6,371</u>
Total intergovernmental	96,099	96,349	250	95,266
<b>Miscellaneous:</b>				
Donation	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>
Total revenues	<u>96,099</u>	<u>96,349</u>	<u>250</u>	<u>96,066</u>
<b>Expenditures:</b>				
<b>Public works:</b>				
Salaries and wages	55,441	50,956	4,485	39,401
Employee benefits	41,632	28,293	13,339	22,779
Services and supplies	28,332	41,432	(13,100)	32,422
Capital outlay	<u>-</u>	<u>3,300</u>	<u>(3,300)</u>	<u>-</u>
Total expenditures	<u>125,405</u>	<u>123,981</u>	<u>1,424</u>	<u>94,602</u>
Excess (deficiency) of revenues over expenditures	(29,306)	(27,632)	1,674	1,464
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,694	3,368	1,674	1,464
<b>Fund balance:</b>				
Beginning of year	<u>-</u>	<u>25,603</u>	<u>25,603</u>	<u>24,139</u>
End of year	<u>\$ 1,694</u>	<u>\$ 28,971</u>	<u>\$ 27,277</u>	<u>\$ 25,603</u>



**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - PARKS AND RECREATION SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	\$ 22,866	\$ 8,789
Accounts receivable	<u>5,567</u>	<u>5,017</u>
Total assets	<u>\$ 28,433</u>	<u>\$ 13,806</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 1,348
Accrued payroll	<u>6,499</u>	<u>2,432</u>
Total liabilities	6,499	3,780
<b><u>FUND BALANCE</u></b>		
Committed for culture and recreation	<u>21,934</u>	<u>10,026</u>
Total liabilities and fund balance	<u>\$ 28,433</u>	<u>\$ 13,806</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - PARKS AND RECREATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Charges for services:</b>				
Swimming pool	\$ 2,033	\$ 869	\$ (1,164)	\$ 1,234
Park fees	<u>38,000</u>	<u>37,288</u>	<u>(712)</u>	<u>35,882</u>
Total charges for services	<u>40,033</u>	<u>38,157</u>	<u>(1,876)</u>	<u>37,116</u>
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
<b>Pool:</b>				
Salaries and wages	7,210	4,185	3,025	9,457
Employee benefits	909	1,292	(383)	1,808
Services and supplies	<u>3,208</u>	<u>4,889</u>	<u>(1,681)</u>	<u>7,275</u>
Total pool expenditures	<u>11,327</u>	<u>10,366</u>	<u>961</u>	<u>18,540</u>
<b>Park:</b>				
Salaries and wages	22,576	26,557	(3,981)	23,793
Employee benefits	7,668	9,652	(1,984)	6,082
Services and supplies	<u>5,000</u>	<u>9,674</u>	<u>(4,674)</u>	<u>17,157</u>
Total park expenditures	<u>35,244</u>	<u>45,883</u>	<u>(10,639)</u>	<u>47,032</u>
Total expenditures	<u>46,571</u>	<u>56,249</u>	<u>(9,678)</u>	<u>65,572</u>
Excess (deficiency) of revenues over expenditures	(6,538)	(18,092)	(11,554)	(28,456)
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net change in fund balance	23,462	11,908	(11,554)	1,544
<b>Fund balance:</b>				
Beginning of year	<u>10,660</u>	<u>10,026</u>	<u>(634)</u>	<u>8,482</u>
End of year	<u>\$ 34,122</u>	<u>\$ 21,934</u>	<u>\$ (12,188)</u>	<u>\$ 10,026</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - ROOM TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	\$ 116,621	\$ 113,640
Taxes receivable	<u>4,057</u>	<u>5,991</u>
Total assets	<u>\$ 120,678</u>	<u>\$ 119,631</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 607	\$ 883
<b><u>FUND BALANCE</u></b>		
Committed for culture and recreation	<u>120,071</u>	<u>118,748</u>
Total liabilities and fund balance	<u>\$ 120,678</u>	<u>\$ 119,631</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - ROOM TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Room tax	\$ 23,333	\$ 83,040	\$ 59,707	\$ 81,047
<b>Miscellaneous:</b>				
Investment income	<u>-</u>	<u>17</u>	<u>17</u>	<u>20</u>
Total revenues	<u>23,333</u>	<u>83,057</u>	<u>59,724</u>	<u>81,067</u>
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Salaries and wages	936	-	936	-
Employee benefits	520	-	520	-
Services and supplies	<u>35,527</u>	<u>18,843</u>	<u>16,684</u>	<u>25,818</u>
Total culture and recreation	36,983	18,843	18,140	25,818
<b>Intergovernmental:</b>				
Payment to the state	<u>3,030</u>	<u>2,891</u>	<u>139</u>	<u>2,306</u>
Total expenditures	<u>40,013</u>	<u>21,734</u>	<u>18,279</u>	<u>28,124</u>
Excess (deficiency) of revenues over expenditures	(16,680)	61,323	78,003	52,943
<b>Other financing sources (uses):</b>				
Operating transfers out	<u>(30,000)</u>	<u>(60,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
Net change in fund balance	(46,680)	1,323	48,003	22,943
<b>Fund balance:</b>				
Beginning of year	<u>50,025</u>	<u>118,748</u>	<u>68,723</u>	<u>95,805</u>
End of year	<u>\$ 3,345</u>	<u>\$ 120,071</u>	<u>\$ 116,726</u>	<u>\$ 118,748</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - BEAUTIFICATION COMMITTEE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021**

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	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 11,467</u>	<u>\$ 7,803</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Committed for culture and recreation	<u>11,467</u>	<u>7,803</u>
Total liabilities and fund balance	<u>\$ 11,467</u>	<u>\$ 7,803</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - BEAUTIFICATION COMMITTEE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Donations	\$ 5,000	\$ 3,664	\$ (1,336)	\$ 7,803
<b>Expenditures:</b>				
<b>Culture and recreation:</b>				
Services and supplies	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	3,664	3,664	7,803
<b>Fund balance:</b>				
Beginning of year	<u>-</u>	<u>7,803</u>	<u>7,803</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 11,467</u>	<u>\$ 11,467</u>	<u>\$ 7,803</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - MUNICIPAL COURT AA FEES SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

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	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	\$ 1,815	\$ 1,815
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for judicial	1,815	1,815
Total liabilities and fund balance	\$ 1,815	\$ 1,815

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - MUNICIPAL COURT AA FEES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ -	\$ -	\$ 1
<b>Expenditures:</b>				
<b>Judicial:</b>				
Services and supplies	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	1
<b>Fund balance:</b>				
Beginning of year	-	1,815	1,815	1,814
End of year	\$ -	\$ 1,815	\$ 1,815	\$ 1,815



**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - MEADOW VALLEY INDUSTRIAL PARK SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 71,800</u>	<u>\$ 62,752</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 25	\$ 790
<b><u>FUND BALANCE</u></b>		
Committed for general government	<u>71,775</u>	<u>61,962</u>
Total liabilities and fund balance	<u>\$ 71,800</u>	<u>\$ 62,752</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - MEADOW VALLEY INDUSTRIAL PARK SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Rents	\$ 10,800	\$ 10,110	\$ (690)	\$ 10,800
<b>Expenditures:</b>				
<b>General government:</b>				
Services and supplies	<u>62,990</u>	<u>297</u>	<u>62,693</u>	<u>344</u>
Excess (deficiency) of revenues over expenditures	(52,190)	9,813	62,003	10,456
<b>Fund balance:</b>				
Beginning of year	<u>52,190</u>	<u>61,962</u>	<u>9,772</u>	<u>51,506</u>
End of year	<u>\$ -</u>	<u>\$ 71,775</u>	<u>\$ 71,775</u>	<u>\$ 61,962</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - HERITAGE MUSEUM BOARD SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 4,231</u>	<u>\$ 3,113</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for general government	<u>4,231</u>	<u>3,113</u>
Total liabilities and fund balance	<u>\$ 4,231</u>	<u>\$ 3,113</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - HERITAGE MUSEUM BOARD SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Donations	\$ 1,500	\$ 1,189	\$ (311)	\$ 288
<b>Expenditures:</b>				
<b>General government:</b>				
Services and supplies	<u>2,737</u>	<u>71</u>	<u>2,666</u>	<u>1,134</u>
Excess (deficiency) of revenues over expenditures	(1,237)	1,118	2,355	(846)
<b>Fund balance:</b>				
Beginning of year	<u>2,749</u>	<u>3,113</u>	<u>364</u>	<u>3,959</u>
End of year	<u>\$ 1,512</u>	<u>\$ 4,231</u>	<u>\$ 2,719</u>	<u>\$ 3,113</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - FIRE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	\$ 13,484	\$ 15,692
Accounts receivable	<u>6,417</u>	<u>6,028</u>
Total assets	<u>\$ 19,901</u>	<u>\$ 21,720</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for public safety	<u>19,901</u>	<u>21,720</u>
Total liabilities and fund balance	<u>\$ 19,901</u>	<u>\$ 21,720</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - FIRE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Charges for services:</b>				
Fire department fees	\$ 38,000	\$ 36,110	\$ (1,890)	\$ 36,431
<b>Expenditures:</b>				
<b>Public safety:</b>				
Employee benefits	8,112	10,109	(1,997)	8,418
Services and supplies	17,680	15,612	2,068	17,955
Total public safety	25,792	25,721	71	26,373
<b>Debt service:</b>				
Principal	10,837	10,850	(13)	10,482
Interest	1,371	1,358	13	1,726
Total debt service	12,208	12,208	-	12,208
Total expenditures	38,000	37,929	71	38,581
Excess (deficiency) of revenues over expenditures	-	(1,819)	(1,819)	(2,150)
<b>Other financing sources (uses):</b>				
Sale of general capital assets	-	-	-	1,081
Net change in fund balance	-	(1,819)	(1,819)	(1,069)
<b>Fund balance:</b>				
Beginning of year	-	21,720	21,720	22,789
End of year	\$ -	\$ 19,901	\$ 19,901	\$ 21,720

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - SPECIAL LICENSE SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 190,000</u>	<u>\$ 190,000</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Committed for general government	<u>190,000</u>	<u>190,000</u>
Total liabilities and fund balance	<u>\$ 190,000</u>	<u>\$ 190,000</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - SPECIAL LICENSE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Licenses and permits:</b>				
Special licenses	\$ 1,200	\$ -	\$ (1,200)	\$ 60,000
<b>Expenditures:</b>				
<b>General government:</b>				
Services and supplies	20,200	-	20,200	-
<b>Health:</b>				
Services and supplies	20,000	-	20,000	-
Total expenditures	40,200	-	40,200	-
Excess (deficiency) of revenues over expenditures	(39,000)	-	39,000	60,000
<b>Fund balance:</b>				
Beginning of year	120,000	190,000	70,000	130,000
End of year	\$ 81,000	\$ 190,000	\$ 109,000	\$ 190,000



**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - MARIJUANA OVERSIGHT SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2021**

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2021

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**ASSETS**

Pooled cash	\$ <u>3,627</u>
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**LIABILITIES**

Accounts payable	\$ -
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**FUND BALANCE**

Committed for general government	<u>3,627</u>
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Total liabilities and fund balance	<u>\$ 3,627</u>
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**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - MARIJUANA OVERSIGHT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**

	2021		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
<b>Licenses and permits:</b>			
Special licenses	\$ 10,000	\$ 3,627	\$ (6,373)
<b>Expenditures:</b>			
<b>General government:</b>			
Services and supplies	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures	-	3,627	3,627
<b>Fund balance:</b>			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - EMERGENCY RELIEF SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2021**

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2021

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**ASSETS**

Pooled cash	\$ <u>3,627</u>
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**LIABILITIES**

Accounts payable	\$ -
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**FUND BALANCE**

Committed for general government	<u>3,627</u>
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Total liabilities and fund balance	<u>\$ 3,627</u>
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**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - EMERGENCY RELIEF SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**

	2021		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
<b>Licenses and permits:</b>			
Special licenses	\$ 10,000	\$ 3,627	\$ (6,373)
<b>Expenditures:</b>			
<b>General government:</b>			
Services and supplies	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of revenues over expenditures	-	3,627	3,627
<b>Fund balance:</b>			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 3,627</u>	<u>\$ 3,627</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - DEBT SERVICE FUND**  
**BALANCE SHEET**  
**JUNE 30, 2021**

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2021

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**ASSETS**

Pooled cash	\$ 14,508
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**LIABILITIES**

Accounts payable	\$ -
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**FUND BALANCE**

Restricted for debt service	14,508
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Total liabilities and fund balance	\$ 14,508
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**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**

	2021		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
<b>Licenses and permits:</b>			
Special licenses	\$ 40,000	\$ 14,508	\$ (25,492)
<b>Expenditures:</b>			
<b>Debt service:</b>			
Principal	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Excess (deficiency) of revenues over expenditures	-	14,508	14,508
<b>Fund balance:</b>			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 14,508</u>	<u>\$ 14,508</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Special Ad Valorem	Capital Expenditures	Streets	Parks	Depot Restoration
<b><u>ASSETS</u></b>					
Pooled cash	\$ 23,625	\$ 14,508	\$ 10,000	\$ 10,000	\$ 11,079
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>FUND BALANCE</u></b>					
Restricted for capital projects	23,625	14,508	10,000	10,000	11,079
Total liabilities and fund balance	\$ 23,625	\$ 14,508	\$ 10,000	\$ 10,000	\$ 11,079

Totals	
2021	2020

\$ 69,212	\$ 65,319
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\$ -	\$ 6,223
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69,212	59,096
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\$ 69,212	\$ 65,319
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**CITY OF CALIENTE, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Amounts for the Year Ended June 30, 2020)**

	Special Ad Valorem	Capital Expenditures	Streets	Parks	Depot Restoration
<b>Revenues:</b>					
Licenses and permits	\$ -	\$ 14,508	\$ -	\$ -	\$ -
Intergovernmental	8,408	-	-	-	-
Miscellaneous:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues	 8,408	 14,508	 -	 -	 -
<b>Expenditures:</b>					
Capital projects	<u>12,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures	 (4,392)	 14,508	 -	 -	 -
<b>Fund balance:</b>					
Beginning of year	<u>28,017</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>11,079</u>
 End of year	<u>\$ 23,625</u>	<u>\$ 14,508</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,079</u>

Totals	
2021	2020
\$ 14,508	\$ -
8,408	8,169
<u>-</u>	<u>1,079</u>
22,916	9,248
<u>12,800</u>	<u>24,366</u>
10,116	(15,118)
<u>59,096</u>	<u>74,214</u>
<u>\$ 69,212</u>	<u>\$ 59,096</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 23,625</u>	<u>\$ 34,240</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 6,223
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>23,625</u>	<u>28,017</u>
Total liabilities and fund balance	<u>\$ 23,625</u>	<u>\$ 34,240</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Other	\$ 8,372	\$ 8,408	\$ 36	\$ 8,169
<b>Expenditures:</b>				
Capital projects	<u>45,937</u>	<u>12,800</u>	<u>33,137</u>	<u>24,366</u>
Excess (deficiency) of revenues over expenditures	(37,565)	(4,392)	33,173	(16,197)
<b>Fund balance:</b>				
Beginning of year	<u>37,565</u>	<u>28,017</u>	<u>(9,548)</u>	<u>44,214</u>
End of year	<u>\$ -</u>	<u>\$ 23,625</u>	<u>\$ 23,625</u>	<u>\$ 28,017</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - CAPITAL EXPENDITURES CAPITAL PROJECTS FUND**  
**BALANCE SHEET**  
**JUNE 30, 2021**

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2021

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**ASSETS**

Pooled cash	\$ 14,508
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**LIABILITIES**

Accounts payable	\$ -
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**FUND BALANCE**

Restricted for capital projects	14,508
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Total liabilities and fund balance	\$ 14,508
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**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - CAPITAL EXPENDITURES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**

	2021		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
<b>Licenses and permits:</b>			
Special licenses	\$ 40,000	\$ 14,508	\$ (25,492)
<b>Expenditures:</b>			
Capital projects	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Excess (deficiency) of revenues over expenditures	-	14,508	14,508
<b>Fund balance:</b>			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ 14,508</u>	<u>\$ 14,508</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - STREETS CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 AND 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 10,000</u>	<u>\$ 10,000</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>10,000</u>	<u>10,000</u>
Total liabilities and fund balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - STREETS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital projects	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(30,000)	-	30,000	-
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(20,000)	-	20,000	-
<b>Fund balance:</b>				
Beginning of year	<u>20,000</u>	<u>10,000</u>	<u>(10,000)</u>	<u>10,000</u>
End of year	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>



**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - PARKS CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 AND 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 10,000</u>	<u>\$ 10,000</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>10,000</u>	<u>10,000</u>
Total liabilities and fund balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - PARKS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital projects	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(25,000)	-	25,000	-
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(15,000)	-	15,000	-
<b>Fund balance:</b>				
Beginning of year	<u>15,000</u>	<u>10,000</u>	<u>(5,000)</u>	<u>10,000</u>
End of year	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - DEPOT RESTORATION CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2021 AND 2020**

	2021	2020
<b><u>ASSETS</u></b>		
Pooled cash	<u>\$ 11,079</u>	<u>\$ 11,079</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ -
<b><u>FUND BALANCE</u></b>		
Restricted for capital projects	<u>11,079</u>	<u>11,079</u>
Total liabilities and fund balance	<u>\$ 11,079</u>	<u>\$ 11,079</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR FUND - DEPOT RESTORATION CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	2020
	Budget	Actual	Positive (Negative)	Actual
<b>Revenues:</b>				
<b>Miscellaneous:</b>				
Donations	\$ -	\$ -	\$ -	\$ 1,079
<b>Expenditures:</b>				
Capital projects	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(30,000)	-	30,000	1,079
<b>Other financing sources (uses):</b>				
Operating transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(20,000)	-	20,000	1,079
<b>Fund balance:</b>				
Beginning of year	<u>20,000</u>	<u>11,079</u>	<u>(8,921)</u>	<u>10,000</u>
End of year	<u>\$ -</u>	<u>\$ 11,079</u>	<u>\$ 11,079</u>	<u>\$ 11,079</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR UTILITY ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Mosquito Abatement	Building	Totals	
			2021	2020
<b><u>ASSETS</u></b>				
<b>Current assets:</b>				
Cash	\$ 39,775	\$ 6,346	\$ 46,121	\$ 47,392
Accounts receivable, net of allowance for uncollectible accounts (\$3,734)	909	-	909	689
Total current assets	40,684	6,346	47,030	48,081
<b>Capital assets:</b>				
Machinery, equipment, and plant	6,223	-	6,223	6,223
Accumulated depreciation	(622)	-	(622)	-
Capital assets, net of accumulated depreciation	5,601	-	5,601	6,223
Total assets	46,285	6,346	52,631	54,304
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Pension charge	311	-	311	387
<b><u>LIABILITIES</u></b>				
<b>Current liabilities:</b>				
Accounts payable	-	820	820	6,450
<b>Non-current liabilities:</b>				
Net pension liability	1,762	-	1,762	1,959
Total liabilities	1,762	820	2,582	8,409
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Pension charge	767	-	767	760
<b><u>NET POSITION</u></b>				
Invested in capital assets, net of related debt	5,601	-	5,601	6,223
Unrestricted	38,466	5,526	43,992	39,299
Total net position	\$ 44,067	\$ 5,526	\$ 49,593	\$ 45,522

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR UTILITY ENTERPRISE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Mosquito Abatement	Building	Totals	
			2021	2020
<b>Operating revenues:</b>				
Charges for services	\$ 7,286	\$ 16,236	\$ 23,522	\$ 36,307
<b>Operating expenses:</b>				
Salaries and wages	888	-	888	792
Employee benefits	557	-	557	434
Services and supplies	379	15,959	16,338	25,209
General administration	1,046	-	1,046	930
Bad debt expense	-	-	-	169
Depreciation	622	-	622	-
Total operating expenses	3,492	15,959	19,451	27,534
Operating income (loss)	3,794	277	4,071	8,773
<b>Non-operating revenues (expenses):</b>				
Penalties	-	-	-	37
Change in net position	3,794	277	4,071	8,810
<b>Net position:</b>				
Beginning of year	40,273	5,249	45,522	36,712
End of year	\$ 44,067	\$ 5,526	\$ 49,593	\$ 45,522

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR UTILITY ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Mosquito Abatement	Building	Totals 2021	Totals 2020
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 7,066	\$ 16,236	\$ 23,302	\$ 36,539
Cash paid for salaries, wages, and employee benefits	(2,124)	-	(2,124)	(1,997)
Cash paid for services and supplies	(7,310)	(15,139)	(22,449)	(25,532)
Net cash provided (used) by operating activities	(2,368)	1,097	(1,271)	9,010
<b>Cash flows from capital and related financing activities:</b>				
Grants and other	-	-	-	37
Net increase (decrease) in cash and cash equivalents	(2,368)	1,097	(1,271)	9,047
<b>Cash:</b>				
Beginning of year	42,143	5,249	47,392	38,345
End of year	<u>\$ 39,775</u>	<u>\$ 6,346</u>	<u>\$ 46,121</u>	<u>\$ 47,392</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	<u>\$ 3,794</u>	<u>\$ 277</u>	<u>\$ 4,071</u>	<u>\$ 8,773</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>				
Depreciation and amortization	622	-	622	-
(Increase) decrease in accounts receivable	(220)	-	(220)	401
(Increase) decrease in deferred outflows - pension	76	-	76	(20)
Increase (decrease) in accounts payable	(6,450)	820	(5,630)	107
Increase (decrease) in accrued payroll	-	-	-	(127)
Increase (decrease) in net pension liability	(197)	-	(197)	(637)
Increase (decrease) in deferred inflows - pension	7	-	7	513
Total adjustments	<u>(6,162)</u>	<u>820</u>	<u>(5,342)</u>	<u>237</u>
Net cash provided (used) by operating activities	<u>\$ (2,368)</u>	<u>\$ 1,097</u>	<u>\$ (1,271)</u>	<u>\$ 9,010</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR UTILITY ENTERPRISE FUND - MOSQUITO ABATEMENT**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash	\$ 39,775	\$ 42,143
Accounts receivable, net of allowance for uncollectible accounts (\$229)	909	689
Total current assets	<u>40,684</u>	<u>42,832</u>
<b>Fixed assets:</b>		
Machinery, equipment, and plant	6,223	6,223
Accumulated depreciation	<u>(622)</u>	<u>-</u>
Fixed assets, net of accumulated depreciation	<u>5,601</u>	<u>6,223</u>
Total assets	<u>46,285</u>	<u>49,055</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension charge	<u>311</u>	<u>387</u>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable	-	6,450
<b>Non-current liabilities:</b>		
Net pension liability	<u>1,762</u>	<u>1,959</u>
Total liabilities	<u>1,762</u>	<u>8,409</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Pension charge	<u>767</u>	<u>760</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	5,601	6,223
Unrestricted	<u>38,466</u>	<u>34,050</u>
Total net assets	<u>\$ 44,067</u>	<u>\$ 40,273</u>



**CITY OF CALIENTE, NEVADA**  
**NONMAJOR UTILITY ENTERPRISE FUND - MOSQUITO ABATEMENT**  
**SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	2021		Variance -	
	Budget	Actual	Positive (Negative)	2020 Actual
<b>Operating revenues:</b>				
Charges for services	\$ 7,500	\$ 7,286	\$ (214)	\$ 7,348
<b>Operating expenses:</b>				
Mosquito abatement:				
Salaries and wages	842	888	(46)	792
Employee benefits	787	557	230	434
Services and supplies	10,500	379	10,121	1,499
General administration	1,171	1,046	125	930
Bad debt expense	-	-	-	169
Depreciation	200	622	(422)	-
Total operating expenses	13,500	3,492	10,008	3,824
Operating income (loss)	(6,000)	3,794	9,794	3,524
<b>Non-operating revenues (expenses):</b>				
Penalties	150	-	(150)	37
Change in net position	\$ (5,850)	3,794	\$ 9,644	3,561
<b>Net position:</b>				
Beginning of year		40,273		36,712
End of year		\$ 44,067		\$ 40,273

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR UTILITY ENTERPRISE FUND - MOSQUITO ABATEMENT**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 7,066	\$ 7,580
Cash paid for salaries, wages, and employee benefits	(2,124)	(1,997)
Cash paid for services and supplies	<u>(7,310)</u>	<u>(1,822)</u>
Net cash provided (used) by operating activities	(2,368)	3,761
<b>Cash flows from capital and related financing activities:</b>		
Grants and other	<u>-</u>	<u>37</u>
Net increase (decrease) in cash and cash equivalents	(2,368)	3,798
<b>Cash:</b>		
Beginning of year	<u>42,143</u>	<u>38,345</u>
End of year	<u>\$ 39,775</u>	<u>\$ 42,143</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	<u>\$ 3,794</u>	<u>\$ 3,524</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Depreciation and amortization	622	-
(Increase) decrease in accounts receivable	(220)	401
(Increase) decrease in deferred outflows - pension charges	76	(20)
Increase (decrease) in accounts payable	(6,450)	107
Increase (decrease) in accrued payroll	-	(127)
Increase (decrease) in net pension liability	(197)	(637)
Increase (decrease) in deferred inflows - pension charges	<u>7</u>	<u>513</u>
Total adjustments	<u>(6,162)</u>	<u>237</u>
Net cash provided (used) by operating activities	<u>\$ (2,368)</u>	<u>\$ 3,761</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR ENTERPRISE FUND - BUILDING**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 and 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash	\$ 6,346	\$ 5,249
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Accounts payable	<u>820</u>	<u>-</u>
<b><u>NET POSITION</u></b>		
Unrestricted	<u>\$ 5,526</u>	<u>\$ 5,249</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR ENTERPRISE FUND - BUILDING**  
**SCHEDULE OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Amounts for Year Ended June 30, 2020)**

	Budget	2021 Actual	Variance - Positive (Negative)	2020 Actual
<b>Operating revenues:</b>				
Charges for services:				
Building permits and inspection fees	\$ 32,000	\$ 16,236	\$ (15,764)	\$ 28,959
<b>Operating expenses:</b>				
Public works:				
Services and supplies	<u>25,920</u>	<u>15,959</u>	<u>9,961</u>	<u>23,710</u>
Change in net position	<u>\$ 6,080</u>	277	<u>\$ (5,803)</u>	5,249
<b>Net position:</b>				
Beginning of year		<u>5,249</u>		<u>-</u>
End of year		<u>\$ 5,526</u>		<u>\$ 5,249</u>

**CITY OF CALIENTE, NEVADA**  
**NONMAJOR ENTERPRISE FUND - BUILDING**  
**COMPARATIVE SCHEDULE OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 and 2020**

	2021	2020
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 16,236	\$ 28,959
Cash paid for services and supplies	<u>(15,139)</u>	<u>(23,710)</u>
Net increase (decrease) in cash and cash equivalents	1,097	5,249
<b>Cash:</b>		
Beginning of year	<u>5,249</u>	<u>-</u>
End of year	<u><u>\$ 6,346</u></u>	<u><u>\$ 5,249</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 277	\$ 5,249
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>		
Increase (decrease) in accounts payable	<u>820</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,097</u></u>	<u><u>\$ 5,249</u></u>

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*Certified Public Accountant*

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

Honorable Mayor and Members of the City Council  
City of Caliente, Nevada  
Caliente, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2022.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 through 2021-003 that we consider to be material weaknesses.

**Compliance and Other Matters**

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

## **City of Caliente, Nevada's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Las Vegas, Nevada  
January 28, 2022

**CITY OF CALIENTE, NEVADA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**Page 1 of 3**

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**2021-001      Financial Period Close**

**Material Weakness in Internal Control Over Financial Reporting**

**Criteria:** Each monthly accounting period should be closed timely. All significant accounts should be reconciled and reviewed. Significant variances should be reviewed and adjusted where necessary.

**Condition:** Significant accounts were not reconciled timely and the monthly accounting period close was not performed in a timely manner.

**Cause of Condition:** The City Clerk is responsible for the reconciliation of significant accounts and the monthly financial close. The City Clerk assumed the responsibilities in December 2019 with limited training on financial closing procedures. The impact of the COVID-19 pandemic further limited on-site training opportunities.

**Effect:** Financial information was not timely and accurate. Errors occurred that were not detected and corrected in a timely manner. Financial statements were not provided to City Management for review.

**Recommendation:** Policy and procedures should be developed and implemented that require the City Clerk and the Deputy City Clerk be cross trained in all financial functions. Continuing education and training for each position should be provided at least annually.

**Repeat Finding from Prior Year:** Yes

**Views of Responsible Officials:** City management agrees with the finding and recommendations. In July of 2021 the City Clerk resigned. The City filled the vacant Clerk position in August 2021 with an individual who is a Certified Public Accountant with an extensive accounting background. The new Clerk has received training on the software used by the City.



**CITY OF CALIENTE, NEVADA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021  
Page 2 of 3**

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**2021-002      Revenue and Expenditure Transaction Process**

**Material Weakness in Internal Control Over Financial Reporting**

**Criteria:** Internal control activities over revenues and expenditures should include procedures to ensure that transactions are recorded at the correct amount in the proper fund and general ledger account.

**Condition:** When testing accounting transactions, we noted instances of revenue and expenditures posted to incorrect funds and or general ledger accounts.

**Cause of Condition:** The City Clerk and Deputy Clerk are responsible for ensuring accounting transactions are posted correctly. The City Clerk assumed the responsibilities in December 2019. The Deputy Clerk assumed responsibilities related to expenditures and revenues in February 2020 with limited training. The impact of the COVID-19 pandemic further limited on-site training opportunities.

**Effect:** Financial information was not accurate. Errors occurred that were not timely detected and corrected.

**Recommendation:** The City Clerk and Deputy City Clerk should receive training on a regular/recurring basis concerning transaction processing and general ledger posting for revenues and expenditures. Staffing requirements of the City for financial functions should be reviewed to ensure staffing is adequate.

**Repeat Finding from Prior Year:** Yes

**Views of Responsible Officials:** City management agrees with the finding and recommendations. In July of 2021 the City Clerk resigned. The City filled the vacant Clerk position in August 2021 with an individual who is a Certified Public Accountant with an extensive accounting background. The new Clerk has received training on the software used by the City. The Deputy City Clerk continues to receive training concerning expenditures and revenue postings to the extent possible following COVID-19 guidelines.

**CITY OF CALIENTE, NEVADA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**Page 3 of 3**

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**2021-003      Financial Reporting**

**Material Weakness in Internal Control Over Financial Reporting**

**Criteria:** Internal control includes the monthly preparation of financial statements. Financial statements include information deemed necessary to manage City operations. Financial statements support decision making and assessment of the City's activities and performance.

**Condition:** Monthly financial statements were not provided to the City Council for the period of July 2020 through June 2021.

**Cause of Condition:** The City Clerk is responsible for preparing monthly financial statements. The City Clerk assumed the responsibilities in December 2019 with limited training on financial closing procedures. The impact of the COVID-19 pandemic further limited on-site training opportunities.

**Effect:** Financial information was not available for the City Council to assess and manage the operations of the City.

**Recommendation:** The City Clerk and Deputy City Clerk should receive training concerning monthly financial statement preparation.

**Repeat Finding from Prior Year:** Yes

**Views of Responsible Officials:** City management agrees with the finding and recommendations. In July of 2021 the City Clerk resigned. The City filled the vacant Clerk position in August 2021 with an individual who is a Certified Public Accountant with an extensive accounting background including financial statement preparation. The new Clerk has received training on the software used by the City.

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## AUDITOR'S COMMENTS

Honorable Mayor and Members of the City Council  
City of Caliente, Nevada  
Caliente, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the City failed to comply with the specific requirements of Nevada Revised Statutes referenced below insofar as they relate to accounting matters, except as listed below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes noted below, insofar as they relate to accounting matters.

### CURRENT YEAR STATUTE COMPLIANCE

#### *Expenditures in Excess of Budget*

Nevada Revised Statutes chapter 354.626 requires the City is required to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. Enterprise funds may not exceed budget appropriations at the fund level. As of June 30, 2021, the City had the following funds with expenditures over appropriations:

General Fund – General government	\$ 71,381
General Fund – Public Safety	\$ 10,598
Utility Enterprise – Electric	\$ 869
Utility Enterprise – Waste	\$ 40,422
Parks and Recreation – Culture and Recreation	\$ 9,678

The General Fund general government function expenditures were over budget due to additional wages, benefits, and service and supplies costs. The General Fund public safety function expenditures were over budget due to additional service and supplies costs. The Utility Enterprise Electric Fund was over budget due to general administration costs. The Enterprise Waste fund expenditures were over budget due to unanticipated costs in many areas. The Parks and Recreation Fund expenditures were over budget relating to park services in all areas.

#### *Deficit Fund Balance/Net Position*

Utility Enterprise – Waste	\$ 40,873
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The deficit net position of the Enterprise Waste fund is due to the individual fund's proportionate share of the net pension liability of the Public Employees' Retirement System of the State of Nevada.

#### *Quarterly Economic Survey*

Chapter 354.6015 of the Nevada Revised Statutes and Nevada Administrative Code 354.559 require the City to file a quarterly financial report with the Nevada Department of Taxation and publish a summary fiscal report in a newspaper of general circulation in the City. Documentation at the City indicates the reports were not timely filed. The City has reviewed the requirements. The City needs to review the due dates and ensure they are filing the reports timely.

## **PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE**

### ***Expenditures in Excess of Budget***

Prior year findings included funds/functions that had expenditures in excess of appropriations. Similar findings were noted in the current year as listed above.

### ***Quarterly Economic Survey***

Quarterly economic survey were not timely filed in the prior year. Similar findings were noted in the current year as listed above.

### ***Remittance of Retirement Contributions by Public Employers***

Payroll reports and related retirement contributions were filed and paid late for 6 months in the prior year. Reports were filed timely for the current year.

## **CURRENT YEAR RECOMMENDATIONS**

See Pages 139 to 141.

## **PROGRESS ON PRIOR YEAR RECOMMENDATIONS**

### ***Financial Period Close***

Each monthly accounting period should be closed timely. All significant accounts should be reconciled and reviewed. Significant variances should be reviewed and adjusted where necessary. Significant accounts were not reconciled timely and the monthly accounting period close was not performed in a timely manner for the prior year.

#### **Status**

Similar findings were noted in the current year as listed above.

### ***Revenue and Expenditure Transaction Process***

Internal control activities over revenues and expenditures should include procedures to ensure that transactions are recorded at the correct amount in the proper fund and general ledger account. In the prior year there were instances of revenue and expenditures posted to incorrect funds and general ledger accounts.

#### **Status**

Similar findings were noted in the current year as listed above.

### ***Financial Reporting***

Internal control includes the monthly preparation of financial statements. Financial statements include information deemed necessary to manage City operations. Financial statements support decision making and assessment of the City's activities and performance. Monthly financial statements were not provided to the City Council the period of July 2020 through June 2021.

#### **Status**

Similar findings were noted in the current year as listed above.

## **NEVADA REVISED STATUTE 354.6113 – CAPITAL PROJECTS**

The City established several capital projects funds in accordance with Nevada Revised Statutes 354.6113 as follows:

### *Capital Expenditures Capital Projects Fund*

The City established the Capital Expenditures Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year.

Planned sources of revenue for the following year are special licenses income. Planned expenditures are for improvements. The City does not plan to accumulate fund balance.

### *Streets Capital Projects Fund*

The City established the Street Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year.

Planned sources of revenue for the following year are transfers in and fund balance carryover. Planned expenditures are for improvements. The City does not plan to accumulate fund balance.

### *Parks Capital Projects Fund*

The City established the Parks Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year.

Planned sources of revenue for the following year are transfer in and fund balance carryover. Planned expenditures are for improvements. The City does not plan to accumulate fund balance.

### *Depot Restoration Capital Projects Fund*

The City established the Street Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year.

Planned sources of revenue for the following year are fund balance carryover. Planned expenditures are for improvements. The City does not plan to accumulate fund balance.

## **NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND**

The City established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. Compliance with Nevada Revised Statutes is contained in Note C1 to the financial statements. The City does not plan to accumulate money in the fund. There City completed sidewalk projects during the year totaling \$12,800.

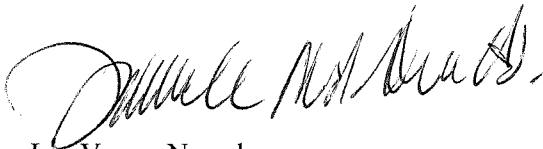
## **NEVADA REVISED STATUTE 354.6115 - STABILIZATION FUND**

The City created a stabilization fund in accordance with Nevada Revised Statute 354.6115, "Fund to stabilize operations of local government and mitigate effects of natural disaster". The fund is inactive and had no fund balance during the year. The City planned to transfer \$10,000 in the fund during the year but did not. Funds may be deposited into the Fund and accumulated for budget stabilization. The fund balance may not exceed 10% of the City's general fund expenditures of the previous year.

## NEVADA REVISED STATUTE 354.5989 – BUSINESS LICENSES

Nevada Revised Statutes 354.624.4(a) requires a schedule of all fees imposed by the City which are subject to the provisions of NRS 354.5989 be addressed by the independent auditor. During the year ended June 30, 2021, the City did not raise fees on business licenses subject to the limitation of NRS 354.5989. The City business license fees are as follows:

<u>Classification</u>	<u>Fee</u>	<u>Additional Fee</u>
Class A: Utilities	\$80.00	None
Class B: Major Retail	80.00	\$2.00 each employee
Class C: Food Establishments	60.00	\$5.00 each employee
Class D: Retail Stores	60.00	\$2.00 each employee
Class E: Eating Establishments	40.00	\$2.00 each employee
Class F: Housing Establishments	20.00	\$1.00 each unit
Class G: Tradesmen	40.00	\$4.00 each employee in excess of 3
Class H: Transportation Facilities	40.00	\$4.00 for each employee in excess of 2
Class I: Reserved		
Class J: Industrial	100.00	\$20.00 for each associate plus \$4.00 for employee
Class K: Professionals	60.00	\$20.00 for each associate or employee
Class L: Amusement Establishments	40.00	\$4.00 for each employee in excess of 5
Class M: Resale Establishments	20.00	\$4.00 each employee
Class N: Repair Services	20.00	\$2.00 for each employee in excess of 1
Class O: General Service Facilities	40.00	\$8.00 for each employee in excess of 1
Class P: Coin-Operated Devices	(Must be on licensed premises)	\$10.00 each device
Class Q: Table Games (Non-Gambling)	(Must be on licensed premises)	\$24.00 each table
Class R: Temporary Services	10.00	None
Class S: Miscellaneous and Unclassified	40.00	None



Las Vegas, Nevada  
January 28, 2022