

CITY OF YERINGTON, NEVADA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

**CITY OF YERINGTON, NEVADA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

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CITY OF YERINGTON, NEVADA

CITY OFFICIALS

City Council Members	- John Garry, Mayor
	- Selena Catalano
	- Jerry Bryant
	- Shane Martin
	- Terceira Schunke
City Manager	- Robert Switzer



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Yerington, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Yerington, Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Yerington'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, and each major fund of the City of Yerington, 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, Municipal Administrative Assessment Fund, and Special Revenue 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, and the Schedule of Total OPEB Liability and Related Ratios and the Schedule of the City's Proportionate Share of the Net Pension Liability on pages 4-11 and 61-62 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.

Prior-Year Comparative Information

We have previously audited the City's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund in our report dated November 25, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived, restated for the changes in accounting principles described above.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Yerington, Nevada's basic financial statements. The individual fund financial statements, and supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of the City of Yerington, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Yerington, Nevada's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Sciarani & Co.".

Yerington, Nevada
December 9, 2021

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

As financial management of the City of Yerington (the "City"), we offer the readers of these financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues, provide an overview of the City's financial activities, identify any significant changes in financial position, and to identify individual issues and concerns. We encourage readers to consider the information presented herein, in conjunction with the financial statements and notes to gain a more complete picture of the information presented.

Financial Highlights

- The City's governmental net position increased by \$1,742,433 to \$8,161,150 from \$6,418,717 in 2020. The City's governmental net investment in capital assets is \$6,025,031 in 2021 compared to \$6,248,763 in 2020.
- The City's business-type activity net position increased by \$292,137 to \$32,262,208 from \$31,970,071 in 2020. The City's business-type activity net investment in capital assets is \$24,569,889 in 2021 compared to \$26,102,921 in 2020.
- The business-type activities recognized capital contributions totaled \$192,395 in 2021 compared to \$35,200 in 2020. This increase in capital contributions is attributable to the connection fees in both the water and sewer systems and the Colony grant revenues on the water and sewer line replacement project.
- The City's total revenues were \$7,029,768 consisting of \$4,214,851 in governmental activities and \$2,814,917 in business-type activities. Business-type activities revenues of \$2,814,917 included grants and contributions totaling \$192,395. User fee charges were \$2,620,909 and account for 93.1% of total revenue sources.
- The City's total expenses were \$4,995,198 consisting of \$2,472,418 in governmental activities and \$2,522,780 in business-type expenses.
- The City's primary revenue sources (besides grants and contributions) are charges for services of \$2,813,724, property taxes of \$694,101 and consolidated taxes of \$546,288. These three revenue sources comprise 40.3 %, 9.8%, and 7.8%, respectively, of total revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements, which are comprised of the basic financial statements and the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements are designed to provide an overview of the City's financial position by governmental and business-type activities, as well as the government as a whole. The Statement of Net Position combines and consolidates all of the City's current financial resources with capital assets, deferred outflows of resources, long-term obligations, and deferred inflows of resources, distinguishing between governmental and business-type activities. The end result is net position which is segregated into three components: net investment in capital assets; restricted and unrestricted position.

The Statement of Activities is focused on both the gross and net cost of governmental and business-type activities. Program revenue which directly offsets costs of specific functions is allocated to those functions, resulting in net expenses for governmental and business-type activities. The City's general revenues offset remaining costs resulting in the annual increase or decrease in net position. This statement is intended to summarize the user's analysis of the net cost of various governmental services that are supported by general revenues.

Governmental activities reflect the City's basic services on a functional basis. Departments included within those functions are identified in the fund financial statements. Ad valorem taxes, consolidated taxes, and other identified general revenues support the majority of these services. Business-type activities reflect enterprise operations where a fee for service typically funds all or most of the cost of operations, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. Fund financial statements provide detailed information about the City's major funds. Based on restrictions placed on the use of monies, the City has established many funds that account for the multitude of services provided to our residents.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities on the governmental-wide financial statements. The City's major governmental funds are the General, Municipal Court Administrative Assessment, Special Revenue, and Fixed Asset Acquisition. Most of the City's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's

short-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 the comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balance for the major funds, which were identified earlier.

Proprietary Funds – The City maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City uses enterprise funds to account for water and sewer operations provided to citizens within the City and nearby service areas. The City’s major proprietary funds are: Water Utility Fund, Sewer Utility Fund, and Crystal Clear Water Utility Fund.

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

Other Information – In addition to the basic financial statements and accompanying notes, this financial statement also presents individual fund statements and schedules.

The City adopts an annual budget for all of its governmental and business-type individual funds. Budgetary comparison schedules have been provided for the General Fund and each major special revenue fund to demonstrate compliance with the budget and are presented as required supplementary information.

Financial Analysis of the City

One of the most important questions asked about the City’s finances is “Is the City as a whole better off or worse off as a result of this year’s activities?” The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the City’s activities in a way that will help answer this question. These two statements report the net position of the City and the changes in them. One can think of the City’s net position – the difference between assets, deferred outflows, liabilities, and deferred inflows – as one way to measure financial health or financial position. Over time, increases and decreases in the City’s net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, net position was \$38,388,788 (\$8,161,150 in governmental activities and \$32,262,208 in business-type activities) as of June 30, 2021. By far, the largest portion of the City’s net position (84.3%) reflects its net investment in capital assets (e.g. land, buildings, equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investments

in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a summary of the City's net position for 2020 compared to 2019.

Table 1
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	\$ 2,213,016	\$ 1,794,571	\$ 8,681,473	\$ 6,836,902	\$10,894,489	\$ 8,631,473
Restricted Cash	-	-	22,007,231	249,901	22,007,231	249,901
Capital Assets, Net	7,795,544	6,248,763	37,230,044	26,128,148	45,025,588	32,376,911
<i>Total Assets</i>	<u>10,008,560</u>	<u>8,043,334</u>	<u>67,918,748</u>	<u>33,214,951</u>	<u>77,927,308</u>	<u>41,258,285</u>
Deferred Outflow Of Resources						
Post Measurement Date						
Employer Contributions	117,519	102,194	62,452	60,795	179,971	162,989
Deferred Pension Outflow	130,396	140,425	77,447	61,633	207,843	202,058
Deferred OPEB Outflow	15,336	16,974	15,646	53,560	30,982	70,534
<i>Total Deferred Outflows</i>	<u>263,251</u>	<u>259,593</u>	<u>155,545</u>	<u>175,988</u>	<u>418,796</u>	<u>435,581</u>
Liabilities						
Current Liabilities	243,349	128,254	1,719,403	142,929	1,962,752	271,183
Long-Term Liabilities						
Due After One Year	1,564,863	1,495,529	33,962,205	1,080,236	35,527,068	2,575,765
<i>Total Liabilities</i>	<u>1,808,212</u>	<u>1,623,783</u>	<u>35,681,608</u>	<u>1,223,165</u>	<u>37,489,820</u>	<u>2,846,948</u>
Deferred Inflow Of Resources						
Unearned revenue	109,967	-	-	-	109,967	-
Deferred Pension Inflow	154,581	209,997	91,811	51,234	246,392	261,231
Deferred OPEB Inflow	37,901	50,430	38,666	146,469	76,567	196,899
<i>Total Deferred Inflows</i>	<u>302,449</u>	<u>260,427</u>	<u>130,477</u>	<u>197,703</u>	<u>432,926</u>	<u>458,130</u>
Net Position						
Invested in Capital						
Assets, Net of Debt	7,795,544	6,248,763	24,677,083	26,102,921	32,472,627	32,351,684
Restricted Position	-	-	264,069	241,025	264,069	241,025
Unrestricted	365,606	169,954	7,321,056	5,626,125	7,686,662	5,796,079
<i>Total Net Position</i>	<u>\$ 8,161,150</u>	<u>\$ 6,418,717</u>	<u>\$ 32,262,208</u>	<u>\$31,970,071</u>	<u>\$40,423,358</u>	<u>\$38,388,788</u>

Net position increased by \$2,034,570 \$40,423,358 in 2021 from \$38,388,788 in 2020.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$ 192,815	\$ 328,234	\$ 2,620,909	\$ 2,562,403	\$ 2,813,724	\$ 2,890,637
Operating Grants and Contributions	693,708	127,168	-	-	693,708	127,168
Capital Grants and Contributions	1,436,118	-	192,395	35,200	1,628,513	35,200
	<u>2,322,641</u>	<u>455,402</u>	<u>2,813,304</u>	<u>2,597,603</u>	<u>5,135,945</u>	<u>3,053,005</u>
General Revenues:						
Property taxes	694,010	443,540	-	-	694,010	443,540
Other taxes	259,871	296,536	-	-	259,871	296,536
Franchise fees	262,896	221,603	-	-	262,896	221,603
Consolidated taxes	546,288	499,898	-	-	546,288	499,898
Unrestricted grants	200,000	200,000	-	-	200,000	200,000
investment earnings	20,769	75,673	1,108	-	21,877	75,673.00
Other	47,799	22,009	505	-	48,304	22,009
Loss on asset disposal	(139,423)	(41,635)	-	-	(139,423)	(41,635.00)
<i>Total Revenues</i>	<u>4,214,851</u>	<u>2,173,026</u>	<u>2,814,917</u>	<u>2,597,603</u>	<u>7,029,768</u>	<u>4,770,629</u>
Expenses:						
General government	729,225	493,967	-	-	729,225	493,967
Judicial	80,245	52,384	-	-	80,245	52,384
Public safety	1,089,766	1,098,468	-	-	1,089,766	1,098,468
Public works	482,904	281,227	-	-	482,904	281,227
Health	15,620	14,034	-	-	15,620	14,034
Cultural and recreation	74,658	60,724	-	-	74,658	60,724
Utilities	-	-	2,522,780	2,090,787	2,522,780	2,090,787
<i>Total Expenses</i>	<u>2,472,418</u>	<u>2,000,804</u>	<u>2,522,780</u>	<u>2,090,787</u>	<u>4,995,198</u>	<u>4,091,591</u>
<i>Change in Net Position</i>	1,742,433	172,222	292,137	506,816	2,034,570	679,038
Beginning Net Position	<u>6,418,717</u>	<u>6,246,495</u>	<u>31,970,071</u>	<u>31,463,255</u>	<u>38,388,788</u>	<u>37,709,750</u>
Ending Net Position	<u>\$ 8,161,150</u>	<u>\$ 6,418,717</u>	<u>\$ 32,262,208</u>	<u>\$ 31,970,071</u>	<u>\$ 40,423,358</u>	<u>\$ 38,388,788</u>

Governmental Activities

While the Statement of Net Position shows the change in financial position of net position, the Statement of Activities provides answers as to the nature and scope of these changes. As can be seen in Table 2 above, changes in net position were an increase of \$1,742,433 for governmental activities and an increase of \$292,137 for business-type activities in fiscal year 2020. In the year 2020, the total increase in net position was \$679,038.

- The governmental activities total revenues in 2021 increased from \$2,173,026 in 2020 to \$4,214,851 in 2021. This increase in revenue of \$2,041,825 is largely attributable to \$1,215,223 in the contributed value of the armory complex and several federal grants.

- Governmental activities 2021 expenses of \$2,472,418 increased by \$471,614 compared to \$2,000,804 in year 2020.

Business-Type Activities

- The business-type activities charges for service revenues increased \$58,506 from \$2,562,403 in 2020 to \$2,620,909 in 2021.
- The business type activities total expenditures were \$2,813,304 in 2021 compared to \$2,597,603 in 2020 or an increase of \$217,301 mainly due the interest on Zion Bancorp interest expense on interim debenture loan.
- The business-type activities capital contributions totaled \$192,395 in 2021 compared to \$35,200 in 2020. The capital contributions were comprised totally of connection fees of \$115,500 and \$76,895 in USDA Rural Development grants on Colony water and sewer replacement project.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on the near-term inflow, outflow, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$1,851,869 which is an increase of \$191,010 compared to the prior year amount of \$1,660,859. This increase is largely attributable to the General Fund incurring an increase in fund balance of \$388,534 and the Fixed Asset Acquisition Fund reduction of fund balance of \$217,433 due to various capital outlay projects. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they may lead to restricted net position on the Statement of Net Position due to being restricted for use for a particular purpose mandated by the sources of the resources, such as state statutes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$1,194,508 while the 2020 fund balance was \$805,974. Fund balance represents approximately 60.4% of the total General Fund expenditures and transfers out.

The City's General Fund ending fund balance increased by \$388,534 in 2021 while the fiscal year 2020 has an increase was \$297,201.

General Fund Budgetary Highlights

The City's budget is prepared according to Nevada law and is based on generally accepted accounting principles. The City adopts an annual budget following budget workshops and a public hearing. The budget provides proposed expenditures and the means of financing them. The most significant budgeted fund is the General Fund. With the General Fund supporting many of our major activities such as our public safety programs, as well as most legislative, judicial and executive activities the General Fund is monitored closely looking for possible revenue shortfall or overspending by individual departments. In summary, the noted differences and explanations are as follows:

- General Fund total revenues of \$2,367,721 were \$59,712 under budget but reflected a significant increase of \$270,686 over 2020 total revenues of \$2,097,035. The General Fund budgeted for RCT shared revenues of \$350,000 which were not requested since the street project was move into fiscal year 2021.
- The General Fund total expenditures of \$1,759,187 were under budgeted appropriations of \$2,188,095 by \$488,908. This variance was largely due to the Street budget including capital outlay for new street expenditures of \$350,000 while such expenditures were delayed until 2022.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets, net of depreciation, for its governmental and business-type activities as of June 30, 2020 is \$32,472,627 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment, vehicles, and roads and highways. In the notes to the financial statements, Note 3 (Capital Assets) provides capital asset activity during 2021.

Major capital asset events during the current year include the following:

- The Governmental Funds had \$2,080,273 in asset additions for the year. Major additions include the acquisition of the armory complex with a cost of \$1,619,083 of which \$1,215,273 was the contributed value from the National Guard. Other assets acquired include the park restroom facility totaling \$131,005, vacuum excavator totaling \$71,341, two vehicles with a total cost of \$70,865. The City is following a 5-year capital improvement plan and limits the purchase of new assets as deemed necessary.

The Business Type Funds had net asset additions of \$11,931,591 for the year. New asset additions consisted of largely \$6,443,391 in construction costs and engineering inspection in the water fund and \$5,488,200 in construction costs and engineering inspection costs associated with City sewer line project. The construction projected awarded the bid contract in August 2020 with construction beginning in September 2020.

Long-Term Debt:

The City currently has no governmental activity debt obligations at June 30, 2021. On November 23, 2020, the City of Yerington Interim Debentures Series 2020 Bonds were issued in the amount of \$32,830,000 for construction costs associated with the Water/Sewer Replacement Line Project. The City executed a three year interim debenture loan with Zion Bancorp to cover project costs during the construction phase.

The City's long-term obligations include compensated absences, net pension liability and OPEB liability. Additional information on the City's long-term debt can be found in Notes 4 and 5 of this financial report.

Economic Factors and Next Year's Budget

The City Council and the management of the City consider many factors when setting the fiscal year 2022 budget, tax rates, user fees and other charges. Some of those factors are the local economy and the impact taxes, charges and rates have on the customers.

The City of Yerington population growth has been very flat over the past several years with an estimated population of 3,095.

Current economic indicators have suggested that the current economy will remain in a low growth mode for at least another year. The City remains optimistic that the Nevada Copper mining operations currently under the construction phase will have positive impact on future City revenues. Given these conditions, the City maintains a conservative approach to spending while maximizing its local revenues.

All of these factors were considered in the preparation of the City's 2022 budget. In conjunction with the current economic factors, the City limited its anticipated spending for 2022, and asked department heads to limit spending and capital outlay.

Requests for Information

This financial report is designed to provide our customers and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be directed to the City Manager of the City of Yerington, 102 South Main Street, Yerington, Nevada, 89447.

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CITY OF YERINGTON, NEVADA**STATEMENT OF NET POSITION****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)*

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Current Assets		
Cash and investments - Note 2	\$ 1,966,426	\$ 8,335,174
Taxes receivable, secured roll	7,831	-
Use fees receivable, net of allowances for uncollectibles	-	269,907
Due from other governments	154,739	22,842
Other receivables	69,414	7,776
Inventory	14,606	45,774
Total Current Assets	2,213,016	8,681,473
Noncurrent Assets		
Restricted cash and investments - Note 2	-	22,007,231
Capital Assets - Note 3		
Land, improvements, and construction in progress	832,875	15,972,236
Other capital assets, net of depreciation	6,962,669	21,257,808
Total Noncurrent Assets	7,795,544	59,237,275
Total Assets	10,008,560	67,918,748
Deferred Outflow of Resources		
Post-measurement date pension contributions - Note 7	117,519	62,452
Deferred pension outflow - Note 7	130,396	77,447
Deferred OPEB outflows - Note 8	15,336	15,646
Total Deferred Outflow of Resources	263,251	155,545

TOTAL			
2021		2020	
\$	10,301,600	\$	7,983,816
	7,831		5,458
	269,907		238,844
	177,581		221,720
	77,190		141,646
	60,380		39,989
	10,894,489		8,631,473
	22,007,231		249,901
	16,805,111		4,680,408
	28,220,477		27,696,503
	67,032,819		32,626,812
	77,927,308		41,258,285
	179,971		162,989
	207,843		202,058
	30,982		70,534
	418,796		435,581

CITY OF YERINGTON, NEVADA**STATEMENT OF NET POSITION****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)*

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Current Liabilities		
Accounts payable	\$ 161,531	\$ 78,430
Construction contracts payable	-	1,439,521
Accrued salaries and benefits	63,802	42,787
Due to other governments	17,991	43,148
Accrued interest	-	88,915
Customers deposits	-	26,602
Bail deposits	25	-
	<hr/>	<hr/>
Total Current Liabilities	243,349	1,719,403
	<hr/>	<hr/>
Long-term liabilities		
Compensated absences - Note 5	53,300	33,860
Zion Bancorp interim construction loan - Note 4	-	32,830,000
Net pension liability - Note 7	1,323,199	906,897
Accrued OPEB liability - Note 4, 5 & 8	188,364	191,448
	<hr/>	<hr/>
Total Long-term Liabilities	1,564,863	33,962,205
	<hr/>	<hr/>
Total Liabilities	1,808,212	35,681,608
	<hr/>	<hr/>
Deferred Inflow of Resources		
Unearned revenues	109,967	-
Deferred pension inflows - Note 7	154,581	91,811
Deferred OPEB inflows - Note 8	37,901	38,666
	<hr/>	<hr/>
Total Deferred Inflow of Resources	302,449	130,477
	<hr/>	<hr/>
Net Position		
Net investment in capital assets	7,795,544	24,677,083
Restricted - Note 9	-	264,069
Unrestricted	365,606	7,321,056
	<hr/>	<hr/>
Total Net Position	\$ 8,161,150	\$ 32,262,208
	<hr/>	<hr/>

CITY OF YERINGTON, NEVADA**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2021***(With Comparative Totals for the Year Ended June 30, 2020)*

	EXPENSES	PROGRAM REVENUE		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental Activities:				
General government	\$ 729,225	\$ -	\$ 291,558	\$ 977,277
Judicial	80,245	20,153	-	-
Public safety	1,089,766	3,587	94,840	-
Public works	482,904	165,920	264,970	341,940
Health	15,620	3,155	-	-
Culture and recreation	74,658	-	42,340	116,901
<i>Total Governmental Activities</i>	<u>2,472,418</u>	<u>192,815</u>	<u>693,708</u>	<u>1,436,118</u>
Business-Type Activities:				
Water utilities	1,635,666	1,526,685	-	139,279
Sewer utilities	887,114	1,094,224	-	53,116
<i>Total Business-type Activities</i>	<u>2,522,780</u>	<u>2,620,909</u>	<u>-</u>	<u>192,395</u>
Total City	<u>\$ 4,995,198</u>	<u>\$ 2,813,724</u>	<u>\$ 693,708</u>	<u>\$ 1,628,513</u>

General Revenues:

Property taxes, levied for general purposes
Other taxes
Franchise fees
Consolidated taxes
Unrestricted investment earnings
Miscellaneous income
Grants not restricted to a specific program
Loss on disposal of assets

*Total General Revenues and Special Items**Change in Net Position*

Net Position - Beginning

Net Position - Ending

<i>Net (Expenses) Revenues and Changes in Net Position</i>				
GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS		
		2021	2020	
\$ 539,610	\$ -	\$ 539,610	\$ (493,967)	
(60,092)	-	(60,092)	(17,035)	
(991,339)	-	(991,339)	(1,067,682)	
158,921	-	158,921	63,043	
118,540	-	118,540	(9,228)	
84,583	-	84,583	(20,533)	
(149,777)	-	(149,777)	(1,545,402)	
-	30,298	30,298	77,020	
-	260,226	260,226	429,796	
-	290,524	290,524	506,816	
(149,777)	290,524	140,747	(1,038,586)	
694,010	-	694,010	443,540	
259,871	-	259,871	296,536	
262,896	-	262,896	221,603	
546,288	-	546,288	499,898	
20,769	1,108	21,877	75,673	
47,799	505	48,304	22,009	
200,000	-	200,000	200,000	
(139,423)	-	(139,423)	(41,635)	
1,892,210	1,613	1,893,823	1,717,624	
1,742,433	292,137	2,034,570	679,038	
6,418,717	31,970,071	38,388,788	37,709,750	
\$ 8,161,150	\$ 32,262,208	\$ 40,423,358	\$ 38,388,788	

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA**BALANCE SHEET
GOVERNMENTAL FUNDS****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)*

	GENERAL FUND	MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT FUND	SPECIAL REVENUE FUND
Assets			
Cash and investments - Note 2	\$ 1,183,543	\$ 23,508	\$ 280,050
Taxes receivable, secured roll	7,831	-	-
Accounts receivable	52,960	-	16,454
Due from other governments	154,739	-	-
Fuel inventory	14,606	-	-
Total Assets	\$ 1,413,679	\$ 23,508	\$ 296,504
Liabilities			
Accounts payable	\$ 129,622	\$ 89	\$ 30,850
Accrued compensation	63,802	-	-
Due to other governments	17,891	100	-
Consumer / bail deposits and restitution	25	-	-
Unearned revenue	-	-	109,967
Total Liabilities	211,340	189	140,817
Deferred Inflow of Resources			
Unavailable taxes receivable	7,831	-	-
Fund Balances - Note 9			
Nonspendable	14,606	-	-
Restricted	-	-	-
Committed	23,306	23,319	155,687
Assigned	-	-	-
Unassigned	1,156,596	-	-
Total Fund Balances	1,194,508	23,319	155,687
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,413,679	\$ 23,508	\$ 296,504

FIXED ASSET ACQUISITION FUND	TOTALS	
	2021	2020
\$ 479,325	\$ 1,966,426	\$ 1,481,741
-	7,831	5,458
-	69,414	94,691
-	154,739	202,887
-	14,606	9,794
<u>\$ 479,325</u>	<u>\$ 2,213,016</u>	<u>\$ 1,794,571</u>
\$ 970	\$ 161,531	\$ 63,409
-	63,802	47,660
-	17,991	17,035
-	25	150
-	109,967	-
<u>970</u>	<u>353,316</u>	<u>128,254</u>
-	7,831	5,458
-	14,606	9,794
-	-	-
478,355	680,667	878,191
-	-	63,577
-	1,156,596	709,297
<u>478,355</u>	<u>1,851,869</u>	<u>1,660,859</u>
<u>\$ 479,325</u>	<u>\$ 2,213,016</u>	<u>\$ 1,794,571</u>

The accompanying notes are an integral part of these financial statements.

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CITY OF YERINGTON, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Total Fund Balance - Governmental Funds	\$ 1,851,869	\$ 1,660,859
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental funds are not current financial resources and therefore not reported in the governmental fund financial statements.	16,723,600	15,277,844
Accumulated depreciation has not been included in the governmental fund financial statements.	(8,928,056)	(9,029,081)
Revenue reported as deferred revenue in the governmental fund financial statements is recorded as revenue in the government-wide financial statements.	7,831	5,458
The net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds	(1,323,199)	(1,275,570)
Deferred pension inflows and outflows of resources represent changes in the net pension liability that are to be amortized over future periods. They will not require current financial resources and are therefore not reported in the governmental funds.	93,334	32,622
Deferred OPEB inflows and outflows of resources represent changes in the OPEB liability that will be amortized over future periods. They will not require current financial resources and are therefore not reported in the governmental funds.	(22,565)	(33,456)
Compensated absences have not been reflected in the governmental fund financial statements.	(53,300)	(43,005)
Post-employment health insurance that is not due and payable in the current period and therefore is not reported in the governmental funds.	<u>(188,364)</u>	<u>(176,954)</u>
Net Position of Governmental Activities	<u>\$ 8,161,150</u>	<u>\$ 6,418,717</u>

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	GENERAL FUND	MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT FUND	SPECIAL REVENUE FUND
Revenues			
Taxes	\$ 691,637	\$ -	\$ 93,807
Licenses and permits	425,935	-	-
Intergovernmental revenues	1,051,636	-	671,140
Charges for services	111,461	-	-
Fines and forfeits	18,484	1,669	-
Other revenues	68,568	-	2,341
<i>Total Revenues</i>	<u>2,367,721</u>	<u>1,669</u>	<u>767,288</u>
Expenditures			
Current:			
General government	226,589	-	329,418
Judicial	80,920	-	-
Public safety	1,171,829	-	-
Public works	216,353	-	418,336
Health	14,291	-	1,294
Culture and recreation	49,205	-	-
<i>Total Expenditures</i>	<u>1,759,187</u>	<u>-</u>	<u>749,048</u>
Excess (Deficiency) of Revenues over Expenditures	608,534	1,669	18,240
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(220,000)	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>(220,000)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	388,534	1,669	18,240
Fund Balance, July 1	<u>805,974</u>	<u>21,650</u>	<u>137,447</u>
Fund Balance, June 30	<u><u>\$ 1,194,508</u></u>	<u><u>\$ 23,319</u></u>	<u><u>\$ 155,687</u></u>

FIXED ASSET ACQUISITION FUND	TOTALS	
	2021	2020
\$ -	\$ 785,444	\$ 547,337
-	425,935	494,095
-	1,722,776	899,132
-	111,461	139,161
-	20,153	35,349
-	70,909	97,577
-	3,136,678	2,212,651
357,561	913,568	288,698
-	80,920	71,462
37,316	1,209,145	1,254,707
33,249	667,938	297,821
-	15,585	16,417
9,307	58,512	53,917
437,433	2,945,668	1,983,022
(437,433)	191,010	229,629
220,000	220,000	-
-	(220,000)	-
220,000	-	-
(217,433)	191,010	229,629
695,788	1,660,859	1,431,230
\$ 478,355	\$ 1,851,869	\$ 1,660,859

The accompanying notes are an integral part of these financial statements.

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

(With Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Net Change in Fund Balances - Total Governmental Funds	\$ 191,010	\$ 229,629
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the governmental fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	865,050	159,254
Contributed capital in the statement of activities that does not provide current resources and is not reported as revenue in the governmental funds.	1,215,223	-
Depreciation is not recognized as an expense in governmental funds, since it does not require the use of current financial resources. The effect on the current year's depreciation is to decrease net assets.	(394,069)	(382,986)
Reductions in capital assets carrying value is recognized as an expense in the statement of activities but not recorded in the governmental fund statements because it does not use current financial resources.	(139,423)	(41,635)
Revenues from property taxes and other revenues is deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed in the government-wide financial statements.	2,373	2,010
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.	(10,295)	(4,081)
Future health insurance post-employment benefits are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund financial statements.	(519)	221,654
Pension contributions made after the measurement date of the pension liability are expensed in the governmental fund financial statements but deferred to the subsequent fiscal year in the statement of activities.	15,325	12,931
Changes in net pension liability resulting from differences in actual and projected earnings, experience and changes in proportionate share do not affect current financial resources and are not reported in the governmental funds.	(2,242)	(24,554)
Change in Net Position of Governmental Activities	<u>\$ 1,742,433</u>	<u>\$ 172,222</u>

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Revenues					
Taxes					
Ad valorem taxes	\$ 312,579	\$ 312,579	\$ 691,637	\$ 379,058	\$ 441,530
Licenses, Permits and Fees					
Business licenses	120,000	120,000	101,838	(18,162)	118,768
Franchise taxes					
Natural gas	37,000	37,000	52,216	15,216	53,938
Electric	130,000	130,000	146,329	16,329	123,556
Cable television	8,000	8,000	24,555	16,555	14,514
Sanitation	27,000	27,000	39,796	12,796	29,595
	202,000	202,000	262,896	60,896	221,603
Non-business licenses and permits					
Animal licenses	200	200	161	(39)	214
Building permits	119,902	119,902	58,340	(61,562)	146,234
Planning and zoning	2,000	2,000	2,700	700	7,276
	122,102	122,102	61,201	(60,901)	153,724
Total Licenses and Permits	444,102	444,102	425,935	(18,167)	494,095
Intergovernmental Revenues					
State and federal shared revenues					
Motor vehicle fuel tax	61,986	61,986	59,273	(2,713)	60,673
Consolidated tax distribution	510,193	510,193	546,288	36,095	499,898
Coronavirus Relief Fund grant	-	94,840	94,840	-	-
FAA CARES Act grant	-	23,009	23,009	-	-
	572,179	690,028	723,410	33,382	560,571
Other local government shared revenues					
County road ad valorem tax	20,000	20,000	20,000	-	20,000
County ad valorem agreement	200,000	200,000	200,000	-	200,000
County gaming licenses	18,000	18,000	34,690	16,690	31,275
RTC shared revenue	350,000	350,000	-	(350,000)	-
	588,000	588,000	254,690	(333,310)	251,275

CITY OF YERINGTON, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	<u>BUDGETED AMOUNT</u>				
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
Payments in lieu of taxes					
County parks agreement	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
County airport contribution	4,000	4,000	4,000	-	4,000
Yerington Paiute Tribe - marijuana compact	30,000	30,000	29,536	(464)	40,686
State rural housing	2,000	2,000	-	(2,000)	2,600
	<u>76,000</u>	<u>76,000</u>	<u>73,536</u>	<u>(2,464)</u>	<u>87,286</u>
Total Intergovernmental Revenues	<u>1,236,179</u>	<u>1,354,028</u>	<u>1,051,636</u>	<u>(302,392)</u>	<u>899,132</u>
Charges for Services					
Airport charges	12,000	12,000	1,020	(10,980)	25,710
Airport fuel charges	81,700	81,700	102,113	20,413	80,377
Animal shelter	1,300	1,300	2,994	1,694	2,097
Weed abatement	300	300	1,747	1,447	-
Police services:					
Night in the Country	-	-	-	-	29,207
Other charges for services	1,000	1,000	3,587	2,587	1,770
	<u>96,300</u>	<u>96,300</u>	<u>111,461</u>	<u>15,161</u>	<u>139,161</u>
Total Charges for Services	<u>96,300</u>	<u>96,300</u>	<u>111,461</u>	<u>15,161</u>	<u>139,161</u>
Fines and Forfeits					
Municipal court fines	25,000	25,000	17,570	(7,430)	32,267
Other court fees	2,500	2,500	914	(1,586)	786
	<u>27,500</u>	<u>27,500</u>	<u>18,484</u>	<u>(9,016)</u>	<u>33,053</u>
Total Fines and Forfeits	<u>27,500</u>	<u>27,500</u>	<u>18,484</u>	<u>(9,016)</u>	<u>33,053</u>
Other Revenues					
Investment earnings	60,000	60,000	20,769	(39,231)	75,673
Highlands tower lease	12,000	12,000	10,000	(2,000)	13,300
Other income	1,500	1,500	37,799	36,299	1,091
	<u>73,500</u>	<u>73,500</u>	<u>68,568</u>	<u>(4,932)</u>	<u>90,064</u>
Total Other Revenues	<u>73,500</u>	<u>73,500</u>	<u>68,568</u>	<u>(4,932)</u>	<u>90,064</u>
Total Revenues	<u>2,190,160</u>	<u>2,308,009</u>	<u>2,367,721</u>	<u>59,712</u>	<u>2,097,035</u>

CITY OF YERINGTON, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Operating Expenditures					
General Government					
Mayor and Council					
Salaries and wages	\$ 22,000	\$ 22,000	\$ 21,591	\$ 409	\$ 21,591
Employee benefits	7,400	7,400	5,858	1,542	6,523
Services and supplies	3,000	3,000	1,194	1,806	1,703
Total Mayor and Council	32,400	32,400	28,643	3,757	29,817
Management and Administration					
Salaries and wages	41,957	41,957	64,940	(22,983)	56,211
Employee benefits	29,878	29,878	28,337	1,541	24,352
Services and supplies	94,618	114,618	104,669	9,949	96,694
Total Management and Administration	166,453	186,453	197,946	(11,493)	177,257
Total General Government Function	198,853	218,853	226,589	(7,736)	207,074
Judicial					
Municipal Court					
Salaries and wages	26,624	26,624	24,723	1,901	24,589
Employee benefits	14,111	14,111	15,671	(1,560)	13,633
Services and supplies	40,560	40,560	40,526	34	33,240
Total Judicial Function	81,295	81,295	80,920	375	71,462
Public Safety					
Police Department					
Salaries and wages	587,250	587,250	512,618	74,632	483,380
Employee benefits	327,750	327,750	337,603	(9,853)	279,131
Services and supplies	160,200	160,200	143,333	16,867	153,388
Capital outlay	-	-	-	-	51,521
Total Police Department	1,075,200	1,075,200	993,554	81,646	967,420

CITY OF YERINGTON, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Fire Department					
Services and supplies					
Contractual agreement	\$ 178,275	\$ 178,275	\$ 178,275	\$ -	\$ 255,766
Total Public Safety Function	1,253,475	1,253,475	1,171,829	81,646	1,223,186
Public Works					
Building Department					
Salaries and wages	6,760	6,760	3,457	3,303	4,592
Employee benefits	3,906	3,906	2,276	1,630	1,089
Services and supplies	39,125	34,125	26,949	7,176	22,225
Total Building Department	49,791	44,791	32,682	12,109	27,906
Street Department					
Salaries and wages	13,215	13,215	12,948	267	12,013
Employee benefits	6,871	6,871	6,217	654	4,454
Services and supplies	66,909	66,909	44,886	22,023	62,388
Capital outlay	350,000	315,000	17,561	297,439	-
Total Street Department	436,995	401,995	81,612	320,383	78,855
Airport					
Salaries and wages	2,838	2,838	3,150	(312)	2,965
Employee benefits	2,227	2,227	4,383	(2,156)	1,262
Services and supplies	89,300	109,300	94,526	14,774	118,833
Total Airport	94,365	114,365	102,059	12,306	123,060
Total Public Works Function	581,151	561,151	216,353	344,798	229,821
Health					
Animal Control					
Salaries and wages	3,337	3,337	3,646	(309)	3,718
Employee benefits	3,850	3,850	2,192	1,658	1,802
Services and supplies	9,500	9,500	8,453	1,047	8,854
Total Health Function	16,687	16,687	14,291	2,396	14,374

CITY OF YERINGTON, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Culture and Recreation					
Parks and recreation					
Salaries and wages	\$ 8,164	\$ 8,164	\$ 8,766	\$ (602)	\$ 17,556
Employee benefits	8,270	8,270	4,004	4,266	8,005
Services and supplies	40,200	40,200	36,435	3,765	28,356
Total Culture and Recreation Function	56,634	56,634	49,205	7,429	53,917
<i>Total Expenditures</i>	<i>2,188,095</i>	<i>2,188,095</i>	<i>1,759,187</i>	<i>428,908</i>	<i>1,799,834</i>
Excess (Deficiency) of Revenues over Expenditures	2,065	119,914	608,534	488,620	297,201
Other Financing (Uses)					
Contingency	(68,207)	(65,642)	-	65,642	-
Transfers out - Fixed Acquisition Fund	-	(220,000)	(220,000)	-	-
<i>Total Other Financing Sources (Uses)</i>	<i>(68,207)</i>	<i>(285,642)</i>	<i>(220,000)</i>	<i>65,642</i>	<i>-</i>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(66,142)	(165,728)	388,534	554,262	297,201
Fund Balance, July 1	796,230	796,230	782,668	(13,562)	485,467
Fund Balance - Budget Basis, June 30	\$ 730,088	\$ 630,502	1,171,202	\$ 540,700	782,668
<u>RECONCILIATION TO GAAP BASIS</u>					
The Compensated Absence Fund is included within the General Fund for GAAP basis reporting. The following items from this fund reconcile the budget to GAAP basis.					
Expenditures					
General Government	\$ -	\$ -	-	\$ -	-
Fund Balance, July 1	24,321	24,321	23,306	(1,015)	23,306
Fund Balance, June 30	<u>\$ 24,321</u>	<u>\$ 24,321</u>	23,306	<u>\$ (1,015)</u>	<u>23,306</u>
Fund Balance - GAAP Basis, June 30			<u>\$ 1,194,508</u>		<u>\$ 805,974</u>

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	BUDGET	ACTUAL	VARIANCE	2020
Revenues					
Fines and Forfeits					
Municipal Court assessments	\$ 1,000	\$ 1,000	\$ 754	\$ (246)	\$ 959
Special facility assessments	1,500	1,500	915	(585)	1,337
<i>Total Revenues</i>	<u>2,500</u>	<u>2,500</u>	<u>1,669</u>	<u>(831)</u>	<u>2,296</u>
Expenditures					
Judicial					
Capital outlay					
Court assessments	-	-	-	-	-
Administrative assessments	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	2,500	2,500	1,669	(831)	2,296
Fund Balance, July 1	<u>21,854</u>	<u>21,854</u>	<u>21,650</u>	<u>(204)</u>	<u>19,354</u>
Fund Balance, June 30	<u><u>\$ 24,354</u></u>	<u><u>\$ 24,354</u></u>	<u><u>\$ 23,319</u></u>	<u><u>\$ (1,035)</u></u>	<u><u>\$ 21,650</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Revenues					
Room taxes	\$ 110,000	\$ 110,000	\$ 93,807	\$ (16,193)	\$ 105,807
Intergovernmental					
Lyon County Park revenue	-	-	66,901	66,901	-
FAA Master Plan	300,000	300,000	151,697	(148,303)	-
FAA CARES ACT Funding	30,000	30,000	6,991	(23,009)	-
USDA Facility Grant	-	50,000	50,000	-	-
CDBG CV 2020-21	-	8,485	8,485	-	-
Coronavirus Relief Fund	-	497,013	387,066	(109,947)	-
Total Intergovernmental	330,000	885,498	671,140	(214,358)	-
Other revenues					
Animal shelter donations	3,200	3,200	2,341	(859)	2,495
Total Revenues	443,200	998,698	767,288	(231,410)	108,302
Expenditures					
General Government					
Coronavirus Relief Fund	-	393,019	283,072	109,947	-
CDBG CV 2020-21	-	8,485	8,485	-	-
Room tax distributions	91,667	91,667	23,000	68,667	63,989
Room tax State reimttance	6,875	6,875	5,573	1,302	6,613
Room tax County remittance	11,458	11,458	9,288	2,170	11,022
Total General Government	110,000	511,504	329,418	182,086	81,624
Public Works					
FAA Master Plan	330,000	330,000	151,648	178,352	-
FAA Care's Act	30,000	30,000	6,991	23,009	-
Armory HVAC	-	-	24,698	(24,698)	-
USDA Facility Grant	-	116,901	131,005	(14,104)	-
Coronavirus Relief Fund	-	103,994	103,994	-	-
Total Public Works	360,000	580,895	418,336	(15,793)	-
Health					
Animal shelter	3,200	3,200	1,294	1,906	2,043
Total Health	3,200	3,200	1,294	1,906	2,043
Total Expenditures	473,200	1,095,599	749,048	168,199	83,667
Excess of Revenues over Expenditures	(30,000)	(96,901)	18,240	(63,211)	24,635
Fund Balance, July 1	112,812	112,812	137,447	24,635	112,812
Fund Balance, June 30	\$ 82,812	\$ 15,911	\$ 155,687	\$ (38,576)	\$ 137,447

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA**PROPRIETARY FUNDS****STATEMENT OF NET POSITION****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)**(Page 1 of 2)*

	UTILITY ENTERPRISE FUNDS	
	WATER	SEWER
	UTILITY FUND	UTILITY FUND
Current Assets		
Unrestricted		
Cash - Note 2	\$ 6,123,437	\$ 2,211,737
Accounts receivables, net of allowance for doubtful accounts	173,075	96,832
Due from other governments	13,133	9,709
Advance to Sewer Fund	130,000	-
Other receivables	7,776	-
Inventory of materials and supplies	34,785	10,989
Restricted Cash - Note 2		
Customer deposits	24,288	2,314
AB 198 capital reserve	264,069	-
Zion Bancorp escrow acquisition account	10,735,251	9,647,528
Zion Bancorp escrow interest account	701,569	632,212
<i>Total Current Assets</i>	<u>18,207,383</u>	<u>12,611,321</u>
Property, Plant and Equipment - Note 3		
Land and water rights	307,393	10,120
Construction in progress - Note 16	8,455,728	7,198,995
Building, wells, tanks, and distribution system	24,840,288	-
Treatment plant and collection system	-	6,032,050
Vehicles	68,558	46,009
Maintenance equipment	2,810,777	423,632
Office equipment	82,846	45,080
	36,565,590	13,755,886
Accumulated depreciation	<u>(8,849,750)</u>	<u>(4,241,682)</u>
<i>Total Property, Plant and Equipment</i>	<u>27,715,840</u>	<u>9,514,204</u>
Total Assets	<u>45,923,223</u>	<u>22,125,525</u>
Deferred Outflow of Resources		
Post measurement date pension contributions - Note 7	34,394	28,058
Deferred pension outflow of resources - Note 7	42,578	34,869
Deferred OPEB outflow of resources - Note 8	8,527	7,119
Total Deferred Outflow of Resources	<u>85,499</u>	<u>70,046</u>

TOTALS	
2021	2020
\$ 8,335,174	\$ 6,502,075
269,907	238,844
22,842	18,833
130,000	130,000
7,776	46,955
45,774	30,195
26,602	8,876
264,069	241,025
20,382,779	-
1,333,781	-
30,818,704	7,216,803
317,513	317,513
15,654,723	3,723,132
24,840,288	24,840,288
6,032,050	6,032,050
114,567	114,567
3,234,409	3,234,409
127,926	127,926
50,321,476	38,389,885
(13,091,432)	(12,261,737)
37,230,044	26,128,148
68,048,748	33,344,951
62,452	60,795
77,447	61,633
15,646	53,560
155,545	175,988

CITY OF YERINGTON, NEVADA**PROPRIETARY FUNDS****STATEMENT OF NET POSITION****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)**(Page 2 of 2)*

	UTILITY ENTERPRISE FUNDS	
	WATER	SEWER
	UTILITY FUND	UTILITY FUND
Liabilities		
Current liabilities payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 41,796	\$ 36,634
Construction contracts payable	830,639	608,882
Accrued salaries and wages	23,502	19,285
Due to other governments	28,256	14,892
Accrued interest	46,769	42,146
Advance from Water Utility Fund	-	130,000
Current liabilities payable from restricted assets:		
Customer deposits	24,288	2,314
<i>Total Current Liabilities</i>	<u>995,250</u>	<u>854,153</u>
Long-term liabilities:		
Accrued compensated absences	18,553	15,307
Zion Bancorp interim construction loan	17,253,000	15,577,000
Net pension liability	509,427	397,470
OPEB liability	104,160	87,288
<i>Total Long-Term Liabilities</i>	<u>17,885,140</u>	<u>16,077,065</u>
Total Liabilities	<u>18,880,390</u>	<u>16,931,218</u>
Deferred Inflow of Resources		
Deferred pension inflows - Note 7	50,475	41,336
Deferred OPEB inflows - Note 8	21,073	17,593
Total Deferred Inflow of Resources	<u>71,548</u>	<u>58,929</u>
Net Position		
Net Investment in capital assets	21,069,021	3,608,062
Restricted - loan reserves - Note 9	264,069	-
Unrestricted	5,723,694	1,597,362
Total Net Position	<u>\$ 27,056,784</u>	<u>\$ 5,205,424</u>

TOTALS	
2021	2020
\$ 78,430	\$ 56,927
1,439,521	25,227
42,787	31,307
43,148	20,592
88,915	-
130,000	130,000
26,602	8,876
1,849,403	272,929
33,860	29,025
32,830,000	-
906,897	871,404
191,448	179,807
33,962,205	1,080,236
35,811,608	1,353,165
91,811	146,469
38,666	51,234
130,477	197,703
24,677,083	26,102,921
264,069	241,025
7,321,056	5,626,125
\$ 32,262,208	\$ 31,970,071

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	UTILITY ENTERPRISE FUNDS	
	WATER	SEWER
	UTILITY FUND	UTILITY FUND
Operating Revenues		
Use fees, net of bad debts	\$ 1,367,112	\$ 1,063,572
Operating Expenses		
Salaries and wages	265,973	220,286
Employee benefits	129,414	116,995
Service and supplies	409,448	239,769
Depreciation	667,140	162,555
<i>Total Operating Expenses</i>	<u>1,471,975</u>	<u>739,605</u>
Operating Income (Loss)	<u>(104,863)</u>	<u>323,967</u>
Nonoperating Revenue (Expenses)		
Late fees / administrative fees	14,255	1,652
Water tank lease	13,668	-
Willowcreek agreement	19,000	29,000
Nevada Copper water reservation fee	87,500	-
Water rights revenue	25,150	-
Miscellaneous revenues	399	106
Investment income	583	525
Interest expense	(163,691)	(147,509)
<i>Total Nonoperating Revenue (Expenses)</i>	<u>(3,136)</u>	<u>(116,226)</u>
Income (Loss) before Contributions	<u>(107,999)</u>	<u>207,741</u>
Capital Contributions		
Connection fees from customers	77,500	38,000
USDA Rural Development - Colony Water/Sewer Grant	61,779	15,116
<i>Total Capital Contributions</i>	<u>139,279</u>	<u>53,116</u>
Change in Net Position	31,280	260,857
Net Position, July 1 - Note 10	<u>27,025,504</u>	<u>4,944,567</u>
Net Position, June 30	<u>\$ 27,056,784</u>	<u>\$ 5,205,424</u>

TOTALS	
2021	2020
\$ 2,430,684	\$ 2,346,616
486,259	487,565
246,409	17,038
649,217	737,665
829,695	848,519
2,211,580	2,090,787
219,104	255,829
15,907	12,882
13,668	14,562
48,000	48,000
87,500	87,500
25,150	11,000
505	41,843
1,108	-
(311,200)	-
(119,362)	215,787
99,742	471,616
115,500	35,200
76,895	-
192,395	35,200
292,137	506,816
31,970,071	31,463,255
\$ 32,262,208	\$ 31,970,071

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	UTILITY ENTERPRISE FUNDS	
	WATER	SEWER
	UTILITY FUND	UTILITY FUND
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,292,165	\$ 1,111,105
Payments to Lyon County	80,987	(44,354)
Payments of personnel costs	(391,595)	(324,407)
Payments for service and supplies	(413,726)	(221,412)
Net Cash Provided by Operating Activities	567,831	520,932
Cash Flows From Noncapital Financing Activities		
Water tank lease income	13,668	-
Water rights revenue	25,150	-
Willow Creek agreement revenues	19,000	29,000
Nevada Copper reservation fee	126,679	-
Administrative fees	10,931	-
Miscellaneous income	3,723	1,758
Net Cash Provided by Noncapital Financing Activities	199,151	30,758
Cash Flows From Capital and Related Financing Activities		
Capital contributed from customers	77,500	38,000
Capital contributed from USDA - Colony	58,114	14,772
Acquisition of capital assets	(5,637,978)	(4,887,473)
Proceeds from Interim construction loan	17,253,000	15,577,000
Interest paid on long-term debt	(116,923)	(105,363)
Net Cash Provided (Used) by Capital and Related Financing Activities	11,633,713	10,636,936
Cash Flows From Capital and Related Financing Activities		
Investment income	583	525
Net Increase (Decrease) in Cash and Cash Equivalents	12,401,278	11,189,151
Cash and Cash Equivalents, July 1	5,447,336	1,304,640
Cash and Cash Equivalents, June 30	\$ 17,848,614	\$ 12,493,791

CITY OF YERINGTON, NEVADA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	UTILITY ENTERPRISE FUNDS	
	WATER	SEWER
	UTILITY FUND	UTILITY FUND
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ (202,809)	\$ 319,395
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	767,585	169,304
Deferred OPEB expense	406	269
Deferred pension expense	(7,959)	2,959
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(26,166)	(4,897)
Decrease in inventory	(4,590)	(10,989)
Increase in consumer deposits	17,596	130
Increase in accounts payable and accrued liabilities	23,768	44,761
Net Cash Provided by Operating Activities	<u><u>\$ 567,831</u></u>	<u><u>\$ 520,932</u></u>

TOTALS	
2021	2020
\$ 116,586	\$ 255,829
936,889	848,519
675	(212,429)
(5,000)	18,592
(31,063)	12,153
(15,579)	7,221
17,726	471
68,529	(46,432)
<u>\$ 1,088,763</u>	<u>\$ 883,924</u>

The accompanying notes are an integral part of these financial statements.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Summary of Significant Account Policies:

The City of Yerington (the “City”) is an incorporated city operated under the applicable laws and regulations of the State of Nevada. The financial statements of the City of Yerington have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units in addition to other authoritative sources issued by the American Institute of Certified Public Accountants.

GASB Statement No. 34 established a financial reporting model for state and local governments that included the addition of a management’s discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow the users of the financial reports to assess a government’s operational accountability. The GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

Reporting Entity

The City, for financial purposes, includes all of the funds relevant to the operations of the City of Yerington. The financial statements of the City of Yerington include those organizations that are controlled by or dependent on the City and fall under the direct jurisdiction of the Mayor and City Council, which is a separately elected body by the citizens of the City. The Mayor and City Council are legally separate and fiscally independent from other governing bodies, with decision-making authority, authority to levy taxes, authority to prepare its own budget, the power to designate management, the ability to significantly influence operations and is accountable for fiscal matters. Therefore, the City is a primary government and is not reported as a component unit by any other entity; nor is the City accountable for any other entity required to be included in the City's annual financial report.

Basic Financial Statements:

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The reporting model's focus is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permits fees, service assessments, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

This government-wide focus is more on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. For the most part, the effect of interfund activity has been removed from the government-wide statements. Interfund activities relating to services provided and used between functions are not eliminated.

The fund financial statements' emphasis is on the major funds in either the governmental or business-type categories. Any non-major funds (by category) or fund type would be summarized into a single column.

The governmental major fund financial statements and the individual fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The focus of the model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, (by category). Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Basis of Presentation:

The accounts of the City of Yerington 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 that comprise its assets, liabilities, net position, revenues, and expenditures (or expenses, as appropriate). Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The model, as defined in GASB Statement No. 34, establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Management may also elect to designate a fund, which does not meet the criteria, as a major fund. When applicable, nonmajor funds are be combined in a single column in the fund financial statements. Since the City has a limited number of funds, all of the City's funds are considered major funds as follows:

Major Funds:

Governmental Major Funds

- (1) The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.
- (2) The Municipal Court Administrative Assessment Fund accounts for a special court assessment for the use in the court system.
- (4) Special Revenue Fund is used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes.
- (8) The Fixed Asset Acquisition Fund is used to accumulate resources for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Major Funds

- (1) The Water Utility Fund accounts for water utility activities within the City limits of Yerington, Town of Mason, and surrounding areas.
- (2) The Sewer Utility Fund accounts for sewer utility activities within the City limits of Yerington.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Basis of Accounting:

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applies.

The Government-wide Financial Statements and the Proprietary Combining Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Governmental Funds:

The City of Yerington maintains its accounting records for all Governmental Funds on the modified accrual basis of accounting as defined by the Governmental Accounting Standards Board (GASB). This method provides for recognizing expenditures, other than accrued interest on general long-term obligations, at the time liabilities are incurred, while revenues are recorded when measurable and available to finance expenditures of the fiscal period. Available is defined as being due and collected within the current period or within 60 days after year-end. When revenues are due, but will not be collected within this 60-day period, the receivable is recorded and an offsetting deferred revenue account is established.

Most major sources of revenues reported in Governmental Funds in the Governmental Fund Financial Statements are susceptible to accrual under the modified accrual basis of accounting. A summary of revenue recognition policies for all major revenue sources is as follows:

Financial Reporting Income Recognition Policies

<u>Type of Revenue</u>	<u>Accrued When Available To Finance Current Operations</u>	<u>Recognized When Received</u>	<u>Accrued When Earned</u>
Property Taxes	X		
Consolidated Tax Distribution	X		
Licenses and Permits		X	
Fines and Forfeits		X	
Motor Vehicle Fuel Taxes	X		
State Gaming License Fees	X		
Interest			X
Grants			X
Miscellaneous Revenue		X	

CITY OF YERINGTON, NEVADA
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Governmental funds in the Governmental Fund Financial Statements are accounted for on a spending or “financial flow” measurement focus. As such, only current assets and current liabilities are generally included on their balance sheets.

Proprietary Funds:

The Proprietary Funds (Water and Sewer Utility Funds) are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Budgets and Budgetary Accounting

Budget Policies:

The City of Yerington adheres to the Local Government Budget Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in these financial statements.

1. On or before April 15 of each year, the budget officer shall prepare, or the governing body shall cause to be prepared, on appropriate forms prescribed by the Department of Taxation for the use of local governments, a tentative budget for the ensuing fiscal year. The tentative budget must be filed for public record and inspection.
2. Public hearings on the tentative budget are held not sooner than the third Monday in May and not later than the last day in May.
3. Prior to June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Council. The final budget must then be forwarded to the Nevada Tax Commission to approve the requested ad valorem tax rate.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) other than the City's election to account and budget for activities required to be reported within the General Fund in two separate funds. Appropriations lapse at year-end.

CITY OF YERINGTON, NEVADA
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JUNE 30, 2021

6. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers are to be approved by the budget officer and/or the City Council, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the City Council, following a scheduled and noticed public hearing. During the year, the City Council approved one budget augmentation.
7. The above dates may be modified as necessary during years when the Nevada Legislature is in session.

In accordance with state statutes, actual expenditures may not exceed budget appropriations of the various governmental functions of the General Fund, or total appropriations of the individual Special Revenue and Capital Projects Funds. In Proprietary Funds, actual expenses may not exceed the sum of budgeted operating and nonoperating expenses.

Cash and Investments

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by NRS 355.170. Investments are stated at fair market value.

Pursuant to NRS 355.170, the City may only invest in the following types of securities:

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain short-term commercial paper issued by U. S. Corporations.
- Certain "AAA" rated mutual funds that invest in Federal securities.

Cash Restrictions

Restricted cash balances represent cash held by the entity for specific purposes.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Allowance for Doubtful Accounts:

Each year, the year-end accounts receivable balances in the enterprise funds are reviewed and accounts believed to be uncollectible are identified. The allowance for doubtful accounts is then adjusted to equal the anticipated loss and bad debt expense is charged for estimated losses arising from the current year's operation. Subsequently, the governing board reviews this list of uncollectible accounts and if they agree the accounts are uncollectible and should be written off, the receivable is charged against the allowance for doubtful accounts. Allowance for doubtful accounts at June 30, 2021 for all Proprietary Funds is \$17,220.

Interest Earned on Investments

Interest earned is allocated to the utility funds based upon the proportions of the utility funds' cash balances to the total City cash. All other interest income is recognized in the Fixed Asset Acquisition Fund.

Inventory of Consumable Supplies

All funds, except the enterprise funds, account for materials and supplies inventories as expenditures using the "purchase method", whereby inventories are recorded as expenditures when they are purchased. Proprietary Fund account for inventories using the "consumption method" which reclassifies inventories as expenditures when they are used. Proprietary Fund inventories are valued at cost, on a first-in first-out basis as identified by a physical inventory count at year-end.

Capital Assets

Capital assets purchased in all governmental funds are recorded in the Governmental Fund Financial Statements as expenditures at the time of purchase and capitalized at historical cost in the government-wide financial statements. Proprietary funds capitalize fixed assets at historical cost. Interest costs incurred during the construction of capital assets are capitalized as part of the cost of construction (if material). Donated assets are recorded at their estimated fair market value on the date of donation.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Public domain (infrastructure) fixed assets, consisting of improvements such as curbs and gutters, streets and sidewalks, and bridges are valued at historical cost or estimated historical cost. The capitalization threshold for all types of fixed assets is \$5,000. Depreciation is provided in an amount sufficient to allocate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type are as follows:

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Capital Assets (continued)

Buildings and other improvements	10-50 years
Wells and distribution systems	20-60 years
Treatment and collection systems	10-50 years
Equipment	5-20 years
Streets	25 years
Sidewalks, curb & gutter, storm drains, and traffic signals	50 years

Property Taxes

All real property in the City of Yerington is assigned a parcel number by the County Assessor in accordance with state laws, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The property and its improvements are assessed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the City's tax rate. The maximum tax rate was established in the State Constitution at \$5.00 per hundred dollars of assessed valuation; however, as a result of the 1979 legislature session, the tax rate was further limited to \$3.64 per hundred dollars of assessed valuation unless an additional rate is approved by the electorate.

Taxes on real property are a lien on the property and attached on July 1 of the year for which taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January, and March to the Treasurer of Lyon County in which the City of Yerington is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two-year waiting period, if the taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually by the County and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial, mobile homes, aircraft and agricultural.

Taxes Receivable, delinquent

Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances. Amounts not collected within 60 days after year-end have been recorded as deferred revenue.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column in the statement of net assets.

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

Compensated Absence Benefits

Governmental Fund Types:

The costs involved in vacation time and sick leave benefits are not accrued as earned but are recorded as payroll costs only when the time is actually used or accumulated benefits are paid or accrued as the result of a termination of services. The liability for accrued vacation and sick leave benefits is recorded in the government-wide financial statements.

Proprietary Fund Types:

These costs are recognized as expenses when the benefits are earned.

The City of Yerington has established a compensated absence fund to accumulate resources to pay the cost of accumulated leave due upon employee retirement. The City has suspended its annual contributions to the fund.

Net Position

Net Position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net positions comprise various net earnings from operating and non-operating revenues and expenses, and contributions of capital. Net positions are classified in the following three components: net investment in capital assets, restricted and unrestricted net position. Investment in capital assets consists of all capital assets, net of accumulated depreciation, reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from that determination. Restricted net position consists of assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net position not included in the above categories. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Fund Balance

In the governmental fund financial statements, governmental funds report up to five components of fund balance, as applicable. These five classifications are: nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance is reserved for portions of net resources that cannot be spent because of their form, such as inventories or prepaid items, or that cannot be spent because they must be kept intact. Restricted fund balance is reserved for the portion of net resources that have externally enforceable limitation on use, such as those imposed by creditors, grantors, contributors, or laws enacted by external entities. Committed fund balance is reserved for the portion of net resources that have had self-imposed limitations set in place by formal action of the governing board. Assigned fund balance is reserved for the portion of net resources that have an intended use established by the governing board or a designated official. Unassigned fund balance is for that portion of net resources that does not meet the criteria to be placed in any of the other four components of fund balance.

Capital Contributions

Contributions are recognized in the Statement of Revenues, Expenses and Changes in Net Position when earned. Contributions normally include capital grants and customer funded system improvements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer activities. Operating expenses are necessary costs incurred to provide the goods or services which is the primary activity of the fund. Revenues and expenses which do not meet these criteria are considered non-operating and are reported as such.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Grant Revenue

Grant revenues received before the revenue recognition criteria established by the Governmental Accounting Standards Board have been met are reported as deferred inflow of resources.

Interest Capitalization

The City has implemented GASB Statement No 89, Accounting for Interest Costs Incurred before the end of a Construction Period which required governmental entities to recognize interest costs incurred during construction as an expense or expenditure.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Cost Allocations

A number of employees provide service to multiple departments and funds. The City allocates the respective labor cost based on management's estimates established at the beginning of each fiscal year. Public works employees are the primary group whose costs are allocated. These employees serve the various enterprise funds as well as the public works departments within the general fund. The City also allocates administrative employee costs to proprietary funds.

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 Nevada Public Employees Retirement System (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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflow of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflow of resources or deferred outflow of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflow of resources or deferred outflow of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period or recognition.

Deferred Inflows and Outflows of Resources

Transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods are reported as either a deferred inflow of resources or deferred outflow of resources in the statement of net position.

Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Such information can only be obtained by referring to the June 30, 2020 audit report.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Cash and Investments:

The City of Yerington maintains all of its cash and investments in bank accounts and time certificates of deposits. The City's cash balance is maintained at Wells Fargo Bank and at Zion Bancorp, both of which are fully covered by FDIC insurance and collateral pledged to the City of Yerington accounts. The collateral pledged consists of obligations insured or guaranteed by the U.S. Government and its agencies.

The following schedule summarizes cash and investments for the City of Yerington at June 30, 2021:

Cash and Investment Balance Held By:

General Activities:

General Fund	\$ 1,183,543
Municipal Court Administrative Assessment Fund	23,508
Special Revenue Fund	280,050
Fixed Asset Acquisition Fund	<u>479,325</u>
Total General Activities Cash and Investments	\$ 1,966,426

Business Type Activities:

Water Utility Fund	17,848,614
Sewer Utility Fund	<u>12,493,791</u>
Total Business-Type Activities Cash and Investments	<u>30,342,405</u>

Total Cash and Investments \$ 32,308,831

Cash Balances Classified By Depository:

Cash on Hand	\$ 300
Commercial Account:	
Wells Fargo Bank	4,496,255
Bond Escrow Account: (restricted)	
Zion Bancorp escrow acquisition account	20,382,779
Zion Bancorp escrow capital interest account	<u>1,333,781</u>
Subtotal Cash	26,213,115

Investments:

Nevada State Local Government Investment Pool	<u>6,095,716</u>
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Total Cash and Investments \$ 32,308,831

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 – Cash and Investments *(continued)*:

The following is a list of cash and deposits indicating collateral or insurance on these deposits:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash on Hand	\$ 300	\$ -
Insured (FDIC)	500,000	500,000
Uninsured but collateralized by securities held in the name of the City by its agent	<u>25,712,815</u>	<u>26,289,762</u>
	<u>\$ 26,213,115</u>	<u>\$26,789,762</u>

Investment

At June 30, 2021, the average weighted maturity of the Nevada Local Government Investment Pool was 143 days. The fair value of \$6,095,716 is determined according to the following hierarchy determined by availability of market pricing used to determine the fair value.

Level I – Based on quoted prices in active market for identical assets	\$ 1,992,080
Level II – Based on significant other observable inputs	\$ 4,103,636

Interest Rate Risk:

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk:

State law limits types of allowable investments under Nevada Revised Statutes 355.170 as listed in the accompanying Note 1.

Concentration of Credit Risk:

The City places no limit on the amount that may invest in any one issuer.

Cash Restrictions:

The City's water utility system previously received grant financing totaling \$2,760,986 and is required to annually deposit into a cash reserve account \$23,044 in the City Water Fund to cover future capital costs. At June 30, 2021, cash reserve balances were \$264,069 for the City Water Fund. Cash received from customers as security deposits by the City's Water Utility Fund and Sewer Utility Fund are restricted for future refund or forfeit. The amounts at June 30, 2021 are \$24,288 and \$2,314 respectively. On November 23, 2020, the City executed \$32,830,000 in Interim Debentures Series 2020 with Zions Bancorporation. At June 30, 2021, Zion Bancorp is holding \$20,382,779 in a restricted escrow acquisition account and \$1,333,791 in a restricted escrow capital interest account.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3 - Capital Assets:

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 639,763	\$ 237,946	\$ 44,834	\$ 832,875
Total capital assets, not being depreciated	<u>639,763</u>	<u>237,946</u>	<u>44,834</u>	<u>832,875</u>
Capital assets being depreciated:				
Land improvements	5,741,468	-	-	5,741,468
Buildings and improvements	994,531	1,548,786	306,626	2,236,691
Equipment and vehicles	2,817,760	293,541	283,057	2,828,244
Infrastructure	<u>5,084,322</u>	<u>-</u>	<u>-</u>	<u>5,084,322</u>
Total capital assets being depreciated	<u>14,638,081</u>	<u>1,842,327</u>	<u>589,683</u>	<u>15,890,725</u>
Less accumulated depreciation for:				
Land improvements	2,366,752	149,834	-	2,516,586
Buildings and improvements	698,318	34,506	217,068	515,756
Equipment and vehicles	1,629,564	129,562	278,026	1,481,100
Infrastructure	<u>4,334,447</u>	<u>80,167</u>	<u>-</u>	<u>4,414,614</u>
Total accumulated depreciation	<u>9,029,081</u>	<u>394,069</u>	<u>495,094</u>	<u>8,928,056</u>
Total capital assets being depreciated, net	<u>5,609,000</u>	<u>1,448,258</u>	<u>94,589</u>	<u>6,962,669</u>
Governmental activities capital assets, net	<u>\$ 6,248,763</u>	<u>\$ 1,686,204</u>	<u>\$ 139,423</u>	<u>\$ 7,795,544</u>

Depreciation expense was charged to the following functions of the City:

Governmental Activities:

General Government	\$ 20,858
Judicial	422
Public safety	41,491
Public works	83,732
Culture and recreation	17,774
Infrastructure	<u>229,792</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 394,069</u>

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 3 - Capital Assets *(continued)*:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Business-type Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 317,513	\$ -	\$ -	\$ 317,513
Construction in progress	<u>3,723,132</u>	<u>11,931,591</u>	<u>-</u>	<u>15,654,723</u>
	<u>4,040,645</u>	<u>11,931,591</u>	<u>-</u>	<u>15,972,236</u>
Capital assets being depreciated:				
Buildings, wells, tanks and distribution system	24,840,288	-	-	24,840,288
Treatment plant and collection system	6,032,050	-	-	6,032,050
Vehicles	114,567	-	-	114,567
Maintenance equipment	3,234,409	-	-	3,234,409
Office equipment	<u>127,926</u>	<u>-</u>	<u>-</u>	<u>127,926</u>
Total capital assets being depreciated	<u>34,349,240</u>	<u>-</u>	<u>-</u>	<u>34,349,240</u>
Less accumulated depreciation for:				
Buildings, wells, tanks and distribution system	6,625,943	545,618	-	7,171,561
Treatment plant and collection system	3,608,047	122,626	-	3,730,673
Vehicles	111,206	702	-	111,908
Maintenance equipment	1,793,049	158,531	-	1,951,580
Office equipment	<u>123,493</u>	<u>2,216</u>	<u>-</u>	<u>125,710</u>
Total accumulated depreciation	<u>12,261,737</u>	<u>829,695</u>	<u>-</u>	<u>13,091,432</u>
Total capital assets being depreciated, net	<u>22,087,503</u>	<u>(829,695)</u>	<u>-</u>	<u>21,257,808</u>
Business-type activities capital assets, net	<u>\$26,128,148</u>	<u>\$11,101,896</u>	<u>\$ -</u>	<u>\$37,230,044</u>

Depreciation expense of \$829,695 was charged to the public works - utilities function of the City.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 4 – Enterprise Fund Obligations:

The following are the long-term obligations of the enterprise funds outstanding at June 30, 2021.

Changes in Business-Type Activities Long-term Obligations:

	Balance July 1, 2020	Obligations Issued	Obligations Retired	Balance June 30, 2021	Due Within One Year
Long-Term Debt:					
Compensated absences	\$ 29,025	\$ 4,835	\$ -	\$ 33,860	\$ -
Zion interim debenture bonds	-	32,830,000	-	32,830,000	-
Net Pension Liability	871,404	35,493	-	906,897	-
OPEB liability	<u>179,807</u>	<u>11,641</u>	<u>-</u>	<u>191,448</u>	<u>-</u>
Total Long-Term Obligations	<u>\$1,080,236</u>	<u>\$32,881,969</u>	<u>\$ -</u>	<u>\$33,962,205</u>	<u>\$ -</u>

Note 5 - General Long-Term Debt:

Governmental Activities:

The estimated value of the accrued compensated absences liability at June 30, 2021 was \$53,300. This balance includes the value of the general government's annual leave and sick leave, which is earned at a rate based upon an employee's longevity with the City. An employee may carry forward unused annual leave, not exceeding 30 days as of the employee's anniversary date, to the next year. The City has adopted a sick leave payback policy based on several factors; ten years of continuous service and employees' vesting in the PERS retirement system with amounts paid for those employees in excess of 30 days upon retirement, not to exceed \$1,000.

Changes in Governmental Activities Long-term Debt:

	Balance July 1, 2020	Obligations Issued	Obligations Retired	Balance June 30, 2021	Due Within One Year
Long-Term Debt:					
Compensated absences	\$ 43,005	\$ 10,295	\$ -	\$ 53,300	\$ -
Net Pension Liability	1,275,570	47,629	-	1,323,199	-
OPEB liability	<u>176,954</u>	<u>11,410</u>	<u>-</u>	<u>188,364</u>	<u>-</u>
Total Long-Term Obligations	<u>\$1,495,529</u>	<u>\$ 69,334</u>	<u>\$ -</u>	<u>\$1,564,863</u>	<u>\$ -</u>

The lawful City general obligation debt limit at June 30, 2021 was \$15,974,505 (NRS 266.600), which leaves a statutorily-available borrowing capacity of \$15,974,505 since the City does not have any general obligation bonds outstanding.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 6 - Contracts and Agreements:

The City has entered into several inter-local government agreements. Brief descriptions of the agreements are provided below.

Lyon County Ad Valorem Tax Agreement

In accordance with an agreement dated July 1, 2007, between the City and Lyon County, \$200,000 of the County's annual consolidated tax revenue shall be paid to the City of Yerington in consideration for the City's previous surrender of ad valorem tax rate to the County. The agreement was renewed July 1, 2010, and shall automatically renew on each subsequent three year term thereafter unless terminated by either party upon 60 days notice. The amount is reported as intergovernmental revenue in the General Fund.

Fire Protection and Ambulance Service

Fire protection, emergency medical, and other related services are provided to the City of Yerington by the Mason Valley Fire Protection District in accordance with an agreement effective July 1, 1993. The fee for such service is determined each fiscal year and based on the preceding year's fee adjusted by changes in the City's assessed valuation and Mason Valley Fire Protection District's ad valorem tax rate. The amount paid for fiscal year 2021 was \$178,275 and is reported within the General Fund's public safety function.

County Parks Agreement

Park and recreation facilities located within the City of Yerington were previously provided jointly by Lyon County and the City. Effective April 16, 1992, the City agreed to provide all the services, personnel and equipment which are necessary to operate and maintain the parks and the County agrees to pay the City an amount agreed to by both entities each year. The amount should equal, as nearly as possible, the percentage of budgeted appropriation allocated by the County for parks that the assessed value of the property in the City and Mason Valley Fire Protection District bears to the assessed value of all property in the County. If no agreement is reached, then the amount will be the amount provided in the previous fiscal year. The amount received in fiscal year 2021 was \$40,000.

Water and Wastewater Agreements with Willowcreek General Improvement District

Effective January 1, 2005, the City of Yerington began overseeing daily operations of the water and wastewater systems owned by the Willowcreek General Improvement District. In accordance with the agreement, the City bills and collects fees and is responsible for most system repairs and maintenance. User fees are remitted to the District monthly and the District compensates the City a fixed amount each six months. The City received \$19,000 and \$29,000 for operating the water and sewer wastewater systems respectively. Compensation and costs associated with operating the District's utility systems are included within the City's Water Utility Fund and Sewer Utility Fund.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 6 - Contracts and Agreements *(continued)*:

In addition to agreements with other local governments, the City has the following agreements outstanding at June 30, 2021 with private companies.

Nevada Copper Inc. - Water Service Agreement

The City of Yerington has entered into an agreement with Nevada Copper, Inc. to reserve 3,500 acre feet of water for future use in a proposed mining operation in exchange for semi-annual payments of \$43,750 until such time that Nevada Copper, Inc. begins using the water. The agreement also specifies the future use fees to be charged. The agreement, dated August 10, 2009, is for a period of thirty years and revenues are credited to the Water Utility Fund.

Note 7 - Defined Benefit Pension Plan:

General Information about the Pension Plan

Plan description: All permanent full-time employees are provided pensions through the Public Employees Retirement Plan (PERS). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement System of Nevada. Chapter 286 of the Nevada Revised Statutes (NRS) establishes a governing board, appointed by the Governor that is responsible for managing the System, including arranging for a biennial actuarial valuation and adoption of actuarial tables and formulas prepared and recommended by the actuary.

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.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. 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.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

Regular members who enter the system on or after July 1, 2019 are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit 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: The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. The contribution rates are based on biennial actuarial valuations and expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions (EEC), while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

The City has both the EPC plan and the EEC plan for its employees. The City's contribution to both plans was \$359,955 for the year ended June 30, 2021. The respective rates on which contributions for EPC plans were based were 42.5% of covered compensation for police/fire members and 29.25% for other members and 15.25% for other member under EEC plan.

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 \$2,230,096 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 proportion of the plan's net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

participating entities for the year ended June 30, 2020. At June 30, 2020, the City's proportion of the plan was .01601% while the prior year's proportionate rate was .01574%.

For the year ended June 30, 2020, the City recognized pension expense of \$106,924 and \$63,508 in its governmental and business-type activities respectively. 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	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Difference between expected and actual experience	\$ 43,470	\$ 25,818	\$ 18,066	\$ 10,730
Net difference between projected and actual earnings on pension plan investments	-	-	52,853	31,391
Changes in assumptions	39,299	23,342	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>47,627</u>	<u>28,287</u>	<u>83,662</u>	<u>49,690</u>
	<u>\$ 130,396</u>	<u>\$ 77,447</u>	<u>\$ 154,581</u>	<u>\$ 91,811</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-Type Activities
Year Ended June 30:		
2022	\$ (15,724)	\$ (9,339)
2023	(8,549)	(5,078)
2024	(3,403)	(2,021)
2025	689	410
2026	2,398	1,424
Thereafter	<u>404</u>	<u>240</u>
	<u>\$ (24,185)</u>	<u>\$ (14,364)</u>

In addition, \$117,525 and \$62,452 are reported as deferred outflows of resources related to pensions in the governmental and business-type activities and represent the City's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability reported as of June 30, 2021.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan (continued):

Actuarial assumptions:

The total pension liability at June 30, 2020 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	2.75%
Investment rate of return	7.50%
Productivity pay increases:	0.50%
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

Investments: The Board evaluates and establishes expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these capital market expectations annually. The PERS's current long-term geometric expected real rates of return for each asset class included in the plan's investment portfolio as of June 30, 2020 are included in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
Domestic 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, the 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, 2021. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers 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.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 – Defined Benefits Pension Plan *(continued)*:

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate: The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 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-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
\$3,477,824	\$2,230,096	\$1,192,393

Note 8 – Postemployment Benefits Other Than Pensions (OPEB):

The City offers post-employment health benefits to its retirees under two plans on the pay-as-you-go basis. Accordingly, the City has implemented GASB No. 75 prospectively beginning with the year ended June 30, 2018. Actuarial studies are done periodically to determine the OPEB liability. The most recent valuation was performed for June 30, 2021.

Plan Information

Nevada Public Employees' Benefits Program:

The City contributes to an agent multiple-employer defined healthcare plan, Nevada Public Employees' Benefits Program (PEBP). PEBP is administered by the State of Nevada pursuant to NRS 287. City retirees previously had the option to join the PEBP offered by the State of Nevada. Local Governments are required to pay the same portion of cost of coverage for their retirees joining PEBP that the State of Nevada pays for those persons retired from state service. As of June 30, 2021, twelve City retirees were covered by this benefit plan. The PEBP issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Benefit Program, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701. The information is also available on their website at www.pebp.state.nv.us or by calling (800)326-5496.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8– Postemployment Benefits Other Than Pensions *(continued)*:

Funding Policy:

Nevada Public Employees' Benefits Program:

The contributions to Nevada Public Employees' Benefits Program are established and may be amended by the Board of the Public Employee's Benefits Program. The amount of subsidy for City retirees is billed monthly. Amounts contributed by retirees are paid directly to the State of Nevada and, as such, are not available. The required contribution is based on projected pay-as-you-go financing requirements. The City has not elected the option to pay additional amounts into a qualified trust to prefund benefits. There are twelve past employees under this plan.

City of Yerington Health Care Plan:

The City pays the full cost of active employee coverage. Employees pay the full cost of any optional dependent coverage and retirees pay the full cost of their personal and dependent coverage. Claims experience of employees and retirees are pooled when determining premiums and retiree and active employees pay the same rates. Therefore, an "implicit" subsidy of retirees cost by active employees could result. A separate report is not issued for the plan. There are 12 active employees under this plan.

Total OPEB Liability:

Following is the City's total OPEB liability that was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

District Plan	\$ 66,509
PEBP Plan	<u>313,303</u>
Total Both Plans	<u>\$ 379,812</u>

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Projections of benefits for financial reported purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Postemployment Benefits Other Than Pensions (OPEB) (continued):

Significant methods and assumptions used to value both plans are as follows:

Valuation date	June 30, 2020
Funding method	Entry Age Normal Cost, (AMM)
Asset valuation method	N/A - No trust established
Discount rate (S & P General	2.66% as of June 30, 2020 and 2.18% as of
Obligation Municipal Bond 20	June 30, 2021
Year High Grade Rate Index)	
Participants valued	
– PEBP	Only current PEBP retirees are valued
– City Plan	Only current active employees and retired participants and covered spouses are valued. No future entrants are considered
	Actuarial assumptions:
Projected salary increases	
– PEBP	N/A
– City Plan	3.0%
General inflation rate	2.5%
Healthcare cost trend rates	5.4% in 2021 to 4% in 2076 and thereafter

Mortality: The rate described below were described in the June 30, 2019 actuarial valuation of the Nevada PERS program as being reasonably representative of mortality experience as the that measurement date.

Non-disabled life rates for Regular and Safety employees:

Males and Females: Headcount-Weighted RP-2014 Healthy Annuitant Table

Pre-retirement life rates for Regular and Safety employees:

Males and Females: Headcount-Weighted RP-2014 Employee Table

Mortality Improvement: The mortality rates above were adjusted to anticipate future mortality improvement by applying MacLoed Watts Scale 2020.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Postemployment Benefits Other Than Pensions (OPEB) (continued):

Changes in Total OPEB Liability

	Governmental Activities	Business-Type Activities	Total
Balance at June 30, 2020	<u>\$ 176,954</u>	<u>\$ 179,807</u>	<u>\$ 356,761</u>
Changes for the year:			
Service cost	4,449	4,538	8,987
Interest	4,708	4,803	9,511
Changes in assumptions	10,349	10,559	20,908
Plan experience	-	-	-
Benefit payments	<u>(8,096)</u>	<u>(8,259)</u>	<u>(16,355)</u>
Net Change	<u>11,410</u>	<u>11,641</u>	<u>23,051</u>
Balance at June 30, 2021	<u>\$ 188,364</u>	<u>\$ 191,448</u>	<u>\$ 379,812</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the City's total OPEB liability calculated using the discount rate of 2.18 percent, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current rate:

1% Decrease <u>(1.18%)</u>	Current Discount Rate <u>(2.18%)</u>	1% Increase <u>(3.18%)</u>
\$ 429,385	\$ 379,812	\$ 338,106

Sensitivity of the total OPEB liability to changes in the healthcare cost trend:

The following presents the City's total OPEB liability of the City as well as what the City's OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

Decrease <u>- 1%</u>	Current rend Rate <u></u>	Increase <u>+ 1%</u>
\$ 336,698	\$ 379,812	\$ 430,962

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 8 – Postemployment Benefits Other Than Pensions (OPEB) (continued):

OPEB Expense and 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 \$7,004 for the PEBS Plan and a OPEB benefit of \$10,538 for the City Health Plan. At June 30, 2021, the City reported deferred outflows resources of \$30,981 and deferred inflows of resources \$76,568 related to OPEB from changes in assumptions and differences between expected and actual expenses.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Business-Type		Governmental Business-Type	
	Activities	Activities	Activities	Activities
Difference between expected and actual experience	\$ 1,636	\$ 1,670	\$ 25,697	\$ 26,217
Changes in assumptions	<u>13,700</u>	<u>13,975</u>	<u>12,204</u>	<u>12,450</u>
	<u>\$ 15,336</u>	<u>\$ 15,645</u>	<u>\$ 37,901</u>	<u>\$ 38,667</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business-Type Activities
Year Ended June 30:		
2022	\$ (9,137)	\$ (9,321)
2023	(9,137)	(9,321)
2024	(9,137)	(9,321)
2025	2,670	2,724
2026	514	525
2027	<u>1,662</u>	<u>1,693</u>
	<u>\$ (22,565)</u>	<u>\$ (23,022)</u>

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 9- Fund Equity:

Net position includes the following restricted amounts at June 30, 2021.

Business-Type Funds:

Nevada Division of Environmental Protection grant (AB-198) requires annual contributions of \$23,044 to a Capital Reserve account held for future improvements in the Water Utility Fund.	<u>264,069</u>
	<u>\$ 264,069</u>

At June 30, 2021, the governmental funds had the following fund balance classified as follows.

Part of the General Fund's year-end balance is represented by fuel inventory and therefore non-spendable.	<u>\$ 14,606</u>
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Part of the City Governmental Funds' year-end balances
are committed for:

General Fund – Compensated absences	\$ 23,306
Municipal Court Administrative Assessments	23,319
Special Revenue Fund	155,687
Fixed Asset Acquisition Fund	<u>478,355</u>
	<u>\$ 680,667</u>

Part of the General Fund's year-end balance fund balance been assigned as a financial resource for the subsequent year's appropriations.	<u>\$ -</u>
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Note 10– Tax Abatements:

City had no tax abatements imposed under the consolidated tax distributions agreements entered into by the State of Nevada. The agreements provide for a partial abatement of sales and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses.

Note 11– Advances to Sewer Fund From Water Fund:

On June 22, 2020, City Council approved Resolution 2020-02 authorizing an interim loan of \$130,000 from the Water Fund to the Sewer Fund as part of the pre-construction phase of the Water and Sewer Line Replacement project.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12 - Business License Fees:

The following schedule summarizes all fees imposed by the City of Yerington, which are subject to the provisions of NRS 354.5989. The City's basic business license fee did not increase from the previous year. The population index had no increase and the consumer price index increased by 1.9%.

	Adjusted Base <u>6-30-20</u>	Percent Increase <u>CPI Index</u>		FY 2021 Maximum Allowed <u>Revenue</u>	FY 2021 Actual Revenue <u>Received</u>	Over (Under) Allowable <u>Amount</u>
Business Licenses	<u>\$135,513</u>	X <u>2.30%</u>	=	<u>\$138,630</u>	<u>\$ 98,803</u>	<u>\$ (39,827)</u>

Note 13 - Regional Highways and Street Revenues:

The City participates in the optional nine-cent (\$.09) gasoline tax to fund Lyon County's Regional Highway and Street Fund. The Fund is administered by a Regional Transportation Commission composed of a five-member board of which the City has one representative. The revenues derived from this fund are remitted to Lyon County for proper accounting. The City receives an allocation of the nine-cent tax revenue based on its total assessed valuation compared with the total assessed valuation of the County. Nevada Revised Statutes 373.150 requires any funds not disbursed currently in aid of an approved project shall remain in the fund to the credit of the City. At June 30, 2021, there were funds in the amount of \$996,7935 reserved in Lyon County's Regional Highway and Street Fund for the sole use by the City of Yerington. The Regional Transportation Commission must first approve a project plan before any funds will be released to the City. The City recognizes these revenues only upon meeting the revenue recognition criteria as stated in Note 1. In addition, Lyon County holds Road Construction Tax totaling \$154,782 for the benefit of the City.

Note 14 - Risk Management:

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 as are all entities. The City has joined together with similar public entities (cities, counties, school districts, and special districts) throughout the State of Nevada to create a pool under the Nevada Inter-local Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public-entity risk pool currently operating as a common-risk management and insurance program for 106 members.

The District pays an annual premium and is subject to a \$25,000 deductible per occurrence. The Pool is considered a self-sustaining risk pool that will provide liability coverage for its members for up to \$10,000,000 per event and a \$13,000,000 general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The City has joined together with similar public entities (cities, counties, school districts, and special districts) throughout the State of Nevada to create a pool under the Public Agency Compensation Trust. The Pool is considered a public-entity risk pool currently operating as a common-risk management and insurance program providing workman's compensation benefits for its 76 members.

The City continues to carry commercial insurance for other risks of loss such as employee health and accident insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 15 - Major Commitments:

On March 27, 2017, the City was awarded two USDA Rural Development Grants on the Yerington Colony Tribe Water and Sewer Line Replacement project in the amount of \$1,941,000 and \$1,248,000, respectively. These two USDA Rural Development grant awards provide for 100% funding of said project costs with construction anticipated in the spring of 2022.

On March 27, 2017, the City signed a letter of intent with USDA Rural Development to obligate financing with both loan and grant funding for the City Water and Sewer Line Replacement Project. USDA Rural Development has obligated \$17,253,000 for the City Water Line Project in two separate loans of \$9,901,000 and \$7,352,000. USDA Rural Development has obligated \$15,577,000 for the City Sewer Line Project in two separate loans of \$8,577,000 and \$7,000,000 along with \$2,004,000 in grant funding. The terms of the loan require monthly payments of both interest and principal at 1.375% over a forty-year period. The four USDA Rural Development loans will be issued as revenue bonds for which the City pledges to generate sufficient user fee revenues to meet debt service requirements. In anticipation of these loans, the City Council authorized utility water and sewer rate increases sufficient to meet debt service requirements.

On November 23, 2020, the City executed \$32,830,000 in Interim Debentures Series 2020 with Zions Bancorporation. Interest is payable semi-annually on May 1 and November 1, beginning on May 1, 2020. Principal of the 2020 Interim Debentures to be redeemed by the USDA Rural Development on November 1, 2023, upon certification of the substantial completion of the Capital Improvement project, with such completion estimated on or about November 1, 2022.

On August 10, 2020, the City awarded the City Water and Sewer Line Replacement Project to Q & D Construction with contract price of \$26,704,189 consisting of \$14,207,552 on the water project and \$12,496,637 on the sewer project. As of June 30, 2021, construction costs were incurred of \$5,901,410 and \$4,942,161, respectfully, leaving a remaining contract balance of \$15,860,618. Farr West Engineering was awarded a design and inspection contract on said projects with an estimated cost of \$6,186,497. As of June 30, 2021, design and inspection costs were incurred of \$2,337,669 on the water project and \$2,178,851 on the sewer project leaving a remaining contract balance of \$1,669,977.

Before the City is eligible to begin drawing USDA Rural Development Loan funding, the City first must incur initial costs of \$1,811,000 and \$953,000 on the City Water and City Sewer projects respectively.

CITY OF YERINGTON, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 16 - Major Commitments: *(continued)*

Following is a summary of projects.

	<u>City of Yerington</u>		<u>Yerington Colony Tribe</u>	
	<u>Water Line</u>	<u>Sewer Line</u>	<u>Water Line</u>	<u>Sewer Line</u>
Loan A	\$ 9,901,000	\$ 8,577,000	\$ -	\$ -
Loan B	7,352,000	7,000,000	-	-
Grants	-	2,204,000	1,941,000	1,248,000
City contribution	<u>1,811,000</u>	<u>953,000</u>	<u>-</u>	<u>-</u>
Total estimated cost	<u>\$19,064,000</u>	<u>\$18,734,000</u>	<u>\$ 1,941,000</u>	<u>\$ 1,248,000</u>

Note 17 - Contingencies:

Federal and State Grants

The City received grants from the Federal government, passed through State agencies. These grants may be subject to compliance audits by the grantor agencies and ultimate retention of these monies is contingent upon satisfying the grantors that proper procedures were followed and that the resources were spent in accordance with grant requirements.

Claims and Lawsuits

Lawsuits are occasionally filed against the City of Yerington. The financial impact of these actions, if any, is not determinable at June 30, 2021. However, the City believes it has adequate insurance to cover any potential judgments should a judgement ever arise.

Note 18 - Subsequent Event:

Management has evaluated subsequent events through December 9, 2021, which is the date the financial statements were available to be issued.

Note 19 - Compliance with Nevada Revised Statutes:

The City conformed to all significant statutory constraints on its financial administration during the year as detailed in the Independent Accountant's Report on Nevada Revised Statutes Chapter 354 Compliance Examination Report found on page 93 except for expenses exceeding budgeted appropriations in the General Fund general government function and the Water Utility Fund which is an apparent violation of NRS 354.626.

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CITY OF YERINGTON, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>City of Yerington Health Benefits Plan</u>				
Total OPEB Liability				
Service cost	\$ 5,380	\$ 5,392	\$ 5,910	\$ 8,987
Interest	29,432	23,644	21,315	9,511
Difference between expected and actual experience	(119,998)	-	-	-
Change in assumptions	19,543	41,632	(35,829)	20,908
Benefit payments	(38,266)	(42,176)	(18,322)	(16,355)
Plan experience	(76,531)	-	(383,548)	-
	<u>(180,440)</u>	<u>28,492</u>	<u>(410,474)</u>	<u>23,051</u>
Net Change in total OPEB Liability				
	(180,440)	28,492	(410,474)	23,051
Total Liability, July 1	<u>919,183</u>	<u>738,743</u>	<u>767,235</u>	<u>356,761</u>
Total Liability, June 30	<u>\$ 738,743</u>	<u>\$ 767,235</u>	<u>\$ 356,761</u>	<u>\$ 379,812</u>
Covered employee payroll	\$ 880,285	\$ 1,067,723	\$ 1,260,950	\$ 542,315
Total liability as a percentage of covered-employee payroll	83.9%	71.9%	28.3%	70.0%

Notes to Schedule:

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

Applicable discount rates	3.27%	2.79%	2.66%	2.18%
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CITY OF YERINGTON, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS
NEVADA PUBLIC EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2021

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>			
City's proportion of the net pension liability	0.01716%	0.01755%	0.01607%
City's proportionate share of the net pension liability	\$ 1,788,913	\$ 2,011,063	\$ 2,163,221
City's covered-employee payroll	\$ 854,015	\$ 867,725	\$ 855,015
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	74.3%	231.8%	253.0%
Plan fiduciary net position as a percentage of the total pension liability	76.3%	75.1%	72.2%

* The above amounts presented for each fiscal year have a measurement date of June 30 of the preceding year.

Schedule of Employer Contributions

Statutorily required employer contribution	\$ 136,442	\$ 136,805	\$ 143,690
Contributions in relation to the statutorily required contribution	<u>136,442</u>	<u>136,805</u>	<u>143,690</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 867,725	\$ 855,015	\$ 878,891
Contributions as a percentage of covered payroll	15.7%	16.0%	16.3%

	<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>
	0.01692%		0.01621%		0.01574%		0.01601%
\$	2,249,939	\$	2,210,324	\$	2,146,974	\$	2,230,096
\$	878,891	\$	880,285	\$	931,454	\$	974,311
	256.0%		251.1%		230.5%		228.9%
	74.4%		75.1%		76.5%		77.0%
\$	151,535	\$	152,524	\$	162,989	\$	179,968
	<u>151,535</u>		<u>152,524</u>		<u>162,989</u>		<u>179,968</u>
\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>
\$	880,285	\$	931,454	\$	974,311	\$	1,053,709
	17.2%		16.4%		16.7%		17.1%

CITY OF YERINGTON, NEVADA
FIXED ASSET ACQUISITION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Revenues					
Taxes					
County capital project tax	\$ 32,000	\$ 32,000	\$ -	\$ (32,000)	\$ -
Other Revenue					
Miscellaneous income	50,000	50,000	-	(50,000)	-
Park Income	-	-	-	-	5,018
Total Other Revenues	50,000	50,000	-	(50,000)	5,018
<i>Total Revenues</i>	82,000	82,000	-	(82,000)	5,018
Expenditures					
General Government					
Capital outlay	100,000	196,200	213,087	(16,887)	-
Capital outlay, city hall		220,000	114,250	105,750	-
Capital outlay, charging station	-	-	30,224	(30,224)	-
Total General Government	100,000	416,200	357,561	58,639	-
Public Safety					
Capital outlay - vehicle	59,500	59,500	37,316	22,184	31,330
Total Public Safety	59,500	59,500	37,316	22,184	31,330
Public Works					
Capital outlay	-	-	-	-	68,000
Capital outlay - vehicle	9,000	9,000	33,249	(24,249)	-
	9,000	9,000	33,249	(24,249)	68,000
Street and Roads					
Capital outlay, street lights	25,000	25,000	9,307	15,693	-
	25,000	25,000	9,307	15,693	-
Culture and Recreation					
Capital outlay, building	32,000	32,000	-	32,000	191
Total Culture and Recreation	32,000	32,000	-	32,000	191
<i>Total Expenditures</i>	225,500	541,700	437,433	88,574	99,521

CITY OF YERINGTON, NEVADA
FIXED ASSET ACQUISITION FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	<u>BUDGETED AMOUNT</u>				
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2020</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (143,500)	\$ (459,700)	\$ (437,433)	\$ 22,267	\$ (94,503)
Other Financing Sources					
Transfer in - General Fund	<u>-</u>	<u>220,000</u>	<u>220,000</u>	<u>-</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	-	220,000	220,000	-	-
Excess of Revenues and Other Financing Sources, over Expenditures	<u>(143,500)</u>	<u>(239,700)</u>	<u>(217,433)</u>	<u>22,267</u>	<u>(94,503)</u>
Fund Balance, July 1	<u>599,588</u>	<u>695,788</u>	<u>695,788</u>	<u>-</u>	<u>790,291</u>
Fund Balance, June 30	<u><u>\$ 456,088</u></u>	<u><u>\$ 456,088</u></u>	<u><u>\$ 478,355</u></u>	<u><u>\$ 22,267</u></u>	<u><u>\$ 695,788</u></u>

CITY OF YERINGTON, NEVADA**WATER UTILITY FUND****SCHEDULE OF NET POSITION****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)*

	<u>2021</u>	<u>2020</u>
Current Assets		
Unrestricted		
Cash	\$ 6,123,437	\$ 5,199,619
Accounts receivable, net of allowance for doubtful accounts of \$7,060 and \$7,060 respectively	173,075	146,909
Due from other governments	13,133	9,468
Advance to Sewer Fund	130,000	130,000
Other receivables	7,776	46,955
Inventory of materials and supplies	34,785	30,195
Restricted Cash		
Customer deposits	24,288	6,692
AB 198 capital reserve	264,069	241,025
Zion Bancorp escrow acquisition account	10,735,251	-
Zion Bancorp escrow interest account	701,569	-
	<u>18,207,383</u>	<u>5,810,863</u>
<i>Total Current Assets</i>		
	<u>18,207,383</u>	<u>5,810,863</u>
Property, Plant And Equipment		
Land & water rights	307,393	307,393
Construction in progress	8,455,728	2,012,337
Building, wells, tanks and distribution system	24,840,288	24,840,288
Vehicles	68,558	68,558
Maintenance equipment	2,810,777	2,810,777
Office equipment	82,846	82,846
	<u>36,565,590</u>	<u>30,122,199</u>
Accumulated depreciation	<u>(8,849,750)</u>	<u>(8,182,610)</u>
	<u>27,715,840</u>	<u>21,939,589</u>
<i>Total Capital Assets</i>		
	<u>27,715,840</u>	<u>21,939,589</u>
Total Assets	<u>45,923,223</u>	<u>27,750,452</u>
Deferred Outflow of Resources		
Post valuation employer contributions	34,394	33,413
Deferred pension outflow of resources	42,578	53,768
Deferred OPEB outflow or resources	8,527	9,383
	<u>85,499</u>	<u>96,564</u>
Total Deferred Inflows of Resources	<u>85,499</u>	<u>96,564</u>

	2021	2020
Liabilities		
Current liabilities payable from unrestricted assets:		
Accounts payable	\$ 41,796	\$ 41,484
Construction payable	830,639	25,227
Accrued salaries and benefits	23,502	17,228
Due to other governments	28,256	13,646
Accrued interest	46,769	-
Current liabilities payable from restricted assets:		
Customer deposits	24,288	6,692
<i>Total Current Liabilities</i>	<u>995,250</u>	<u>104,277</u>
Long-term liabilities:		
Accrued compensated absences	18,553	15,981
Zion Bancorp interim construction loan	17,253,000	-
Net pension liability	509,427	495,165
OPEB liability	104,160	97,816
<i>Total Long-term Liabilities</i>	<u>17,885,140</u>	<u>608,962</u>
Total Liabilities	<u>18,880,390</u>	<u>713,239</u>
Deferred Inflow of Resources		
Deferred pension inflows	50,475	80,406
Deferred OPEB inflows	21,073	27,867
Total Defferred Inflow of Resources	<u>71,548</u>	<u>108,273</u>
Net Position		
Net investment in capital assets	21,069,021	21,914,362
Restricted for AB 198 capital reserves	264,069	241,025
Unrestricted	5,723,694	4,870,117
Total Net Position	<u>\$ 27,056,784</u>	<u>\$ 27,025,504</u>

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CITY OF YERINGTON, NEVADA
WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Operating Revenues					
Water use fees	\$ 1,362,662	\$ 1,362,662	\$ 1,306,780	\$ (55,882)	\$ 1,268,341
Meter replacement / Other charges	25,005	25,005	60,332	35,327	26,693
Less bad debts	5,000	5,000	-	(5,000)	(6,823)
<i>Total Operating Revenues</i>	<u>1,392,667</u>	<u>1,392,667</u>	<u>1,367,112</u>	<u>(25,555)</u>	<u>1,288,211</u>
Operating Expenses					
Salaries and wages	262,619	262,619	265,973	(3,354)	266,099
Employee benefits	136,431	136,431	129,414	7,017	(12)
Services and supplies	411,500	411,500	409,448	2,052	457,283
Depreciation	649,312	649,312	667,140	(17,828)	675,773
<i>Total Operating Expenses</i>	<u>1,459,862</u>	<u>1,459,862</u>	<u>1,471,975</u>	<u>(12,113)</u>	<u>1,399,143</u>
Operating Income (Loss)	<u>(67,195)</u>	<u>(67,195)</u>	<u>(104,863)</u>	<u>(37,668)</u>	<u>(110,932)</u>
Nonoperating Revenues (Expenses)					
Late fees	15,000	15,000	3,324	(11,676)	1,936
Administrative fee	12,100	12,100	10,931	(1,169)	9,868
Willow Creek agreement	19,000	19,000	19,000	-	19,000
Water tank lease	16,000	16,000	13,668	(2,332)	14,562
Water rights revenue	19,500	19,500	25,150	5,650	11,000
Nevada Copper reservation fee	87,500	87,500	87,500	-	87,500
USDA - Water Line Project - revenues	9,000,000	9,000,000	-	-	-
USDA - Water Line Project - expenses	(9,000,000)	(9,000,000)	-	-	-
ARCO - customer hookup revenue	21,000	21,000	-	(21,000)	-
Investment income	100	100	583	483	-
Miscellaneous income	1,200	1,200	399	(801)	16,486
Interest expense	(117,590)	(117,590)	(163,691)	(46,101)	-
<i>Total Nonoperating Revenues (expenses)</i>	<u>73,810</u>	<u>73,810</u>	<u>(3,136)</u>	<u>(76,946)</u>	<u>160,352</u>
Income (loss) before contributions	<u>6,615</u>	<u>6,615</u>	<u>(107,999)</u>	<u>(114,614)</u>	<u>49,420</u>
Capital Contributions					
Connection fees from customers	-	-	77,500	77,500	27,600
USDA Rural Development - Colony Water Grant	-	-	61,779	61,779	-
<i>Total Capital Contributions</i>	<u>-</u>	<u>-</u>	<u>139,279</u>	<u>139,279</u>	<u>27,600</u>
Change in Net Position	<u>\$ 6,615</u>	<u>\$ 6,615</u>	<u>31,280</u>	<u>\$ 24,665</u>	<u>77,020</u>
Net Position, July 1			<u>27,025,504</u>		<u>26,948,484</u>
Net Position, June 30			<u>\$ 27,056,784</u>		<u>\$ 27,025,504</u>

CITY OF YERINGTON, NEVADA
WATER UTILITY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Cash Flows From Operating Activities					
Receipts from customers	\$ 1,392,667	\$ 1,392,667	\$ 1,292,165	\$ (100,502)	\$ 1,222,983
Payments to Lyon County	(399,050)	(399,050)	80,987	480,037	72,257
Payments of personnel costs	(411,500)	(411,500)	(391,595)	19,905	(400,918)
Payments for service and supplies	(60,000)	(60,000)	(413,726)	(353,726)	(458,859)
Net Cash Provided by Operating Activities	522,117	522,117	567,831	45,714	435,463
Cash Flows From Noncapital Financing Activities					
Water tank lease income	16,000	16,000	13,668	(2,332)	14,562
Water right revenue	19,500	19,500	25,150	5,650	11,000
Willowcreek revenue	19,000	19,000	19,000	-	19,000
Nevada Copper reservation fee	87,500	87,500	126,679	39,179	87,500
Administrative fees	12,100	12,100	10,931	(1,169)	9,868
USDA - Water Line Project revenue	9,000,000	9,000,000	-	(9,000,000)	-
USDA - Water Line Project expenses	(9,000,000)	(9,000,000)	-	9,000,000	-
Miscellaneous income	1,200	1,200	3,723	2,523	21,218
Net Cash Provided Non-Capital Financing Activities	155,300	155,300	199,151	43,851	163,148
Cash Flows From Capital And Related Financing Activities					
Capital contributions by customers	25,500	25,500	77,500	52,000	27,600
Capital contributions by USDA (Tribe)	500,000	500,000	58,114	(441,886)	-
Interim debenture bond proceeds	17,000,000	17,000,000	17,253,000	253,000	-
Acquisition of capital assets	(17,580,000)	(17,580,000)	(5,637,978)	11,942,022	(538,643)
Advance to Sewer Fund	-	-	-	-	(130,000)
Principal paid on long-term debt	(162,909)	(162,909)	-	162,909	-
Interest paid on long-term debt	(117,590)	(117,590)	(116,923)	667	-
Net Cash (Used) by Capital and Related Financing Activities	(334,999)	(334,999)	11,633,713	11,968,712	(641,043)
Cash Flows From Investing Activities					
Interest income	-	-	583	583	-
Net Increase (Decrease) In Cash and Cash Equivalents	342,418	342,418	12,401,278	12,058,860	(42,432)
Cash and Cash Equivalents, July 1	6,087,526	6,087,526	5,447,336	(640,190)	5,489,768
Cash and Cash Equivalents, June 30	<u>\$ 6,429,944</u>	<u>\$ 6,429,944</u>	<u>\$ 17,848,614</u>	<u>\$ 11,418,670</u>	<u>\$ 5,447,336</u>

CITY OF YERINGTON, NEVADA
WATER UTILITY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT		ACTUAL	VARIANCE	2020
	ORIGINAL	FINAL			
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ (67,195)	\$ (67,195)	\$ (104,863)	\$ (37,668)	\$ (110,932)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	649,312	649,312	667,140	17,828	675,773
Net change deferred pension expense	-	-	(5,460)	(5,460)	5,592
Net change deferred OPEB expense	-	-	406	406	(119,729)
Changes in assets and liabilities					
Decrease (increase) in accounts receivable	(60,000)	(60,000)	(26,166)	33,834	4,827
Decrease (increase) in inventory	-	-	(4,590)	(4,590)	7,221
Increase (decrease) in consumer deposits	-	-	17,596	17,596	358
(Decrease) increase in accounts payable and accrued liabilities	-	-	23,768	23,768	(27,647)
Net Cash Provided by Operating Activities	<u>\$ 522,117</u>	<u>\$ 522,117</u>	<u>\$ 567,831</u>	<u>\$ 45,714</u>	<u>\$ 435,463</u>

CITY OF YERINGTON, NEVADA**SEWER UTILITY FUND****SCHEDULE OF NET POSITION****JUNE 30, 2021***(With Comparative Totals for June 30, 2020)*

	<u>2021</u>	<u>2020</u>
Current Assets		
Unrestricted		
Cash	\$ 2,211,737	\$ 1,302,456
Accounts receivable, net of allowance for doubtful accounts of \$10,160 and \$10,160 respectively	96,832	91,935
Grant Receivable - USDA	9,709	9,365
Inventory of materials and supplies	10,989	-
Restricted Cash		
Customer deposits	2,314	2,184
Zion Bancorp escrow acquisition account	9,647,528	-
Zion Bancorp escrow interest account	632,212	-
	<hr/>	<hr/>
Total Current Assets	<u>12,611,321</u>	<u>1,405,940</u>
Property, Plant And Equipment		
Land	10,120	10,120
Treatment plant and collection systems	6,032,050	6,032,050
Vehicles	46,009	46,009
Maintenance equipment	423,632	423,632
Office equipment	45,080	45,080
Construction in progress	7,198,995	1,710,795
	<hr/>	<hr/>
	13,755,886	8,267,686
Accumulated depreciation	<u>(4,241,682)</u>	<u>(4,079,127)</u>
	<hr/>	<hr/>
Total Capital Assets	<u>9,514,204</u>	<u>4,188,559</u>
	<hr/>	<hr/>
Total Assets	<u>22,125,525</u>	<u>5,594,499</u>
Deferred Outflow of Resources		
Post valuation pension contributions	28,058	27,382
Deferred pension inflow of resources	34,869	44,177
Deferred OPEB inflow or resources	7,119	7,865
	<hr/>	<hr/>
Total Deferred Outflow of Resources	<u>70,046</u>	<u>79,424</u>

	2021	2020
Liabilities		
Current liabilities payable from unrestricted assets:		
Accounts payable	\$ 36,634	\$ 7,288
Construction payable	608,882	8,155
Accrued salaries and benefits	19,285	14,079
Due to other governments	14,892	6,946
Accrued interest payable	42,146	
Advance from Water Fund	130,000	130,000
Current liabilities payable from restricted assets:		
Customer deposits	2,314	2,184
Total Current Liabilities	854,153	168,652
Long-term liabilities:		
Accrued compensated absences	15,307	13,044
Zion Bancorp interim constructon loan	15,577,000	-
Net pension liability	397,470	376,239
OPEB liability	87,288	81,991
	16,077,065	471,274
Total Liabilities	16,931,218	639,926
Deferred Inflow of Resources		
Deferred pension inflows	41,336	66,063
Deferred OPEB inflows	17,593	23,367
Total Deferred Inflow of Resources	58,929	89,430
Net Position		
Net investment in capital assets	3,608,062	4,188,559
Unrestricted	1,597,362	756,008
Total Net Position	\$ 5,205,424	\$ 4,944,567

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CITY OF YERINGTON, NEVADA
SEWER UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGET AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Operating Revenues					
Sewer use fees	\$ 1,066,378	\$ 1,066,378	\$ 1,063,572	\$ (2,806)	\$ 1,062,007
Bad debts	-	-	-	-	(3,602)
	<u>\$ 1,066,378</u>	<u>\$ 1,066,378</u>	<u>\$ 1,063,572</u>	<u>\$ (2,806)</u>	<u>\$ 1,058,405</u>
Operating Expenses					
Salaries and wages	225,010	225,010	220,286	4,724	221,466
Employee benefits	139,802	139,802	116,995	22,807	17,050
Services and supplies	275,177	275,177	239,769	35,408	280,382
Depreciation	170,000	170,000	162,555	7,445	172,746
	<u>809,989</u>	<u>809,989</u>	<u>739,605</u>	<u>70,384</u>	<u>691,644</u>
<i>Total Operating Expenses</i>					
	<u>809,989</u>	<u>809,989</u>	<u>739,605</u>	<u>70,384</u>	<u>691,644</u>
Operating Income (Loss)	<u>256,389</u>	<u>256,389</u>	<u>323,967</u>	<u>67,578</u>	<u>366,761</u>
Nonoperating Revenues (Expenses)					
Late fees	2,000	2,000	1,652	(348)	1,078
Willowcreek agreement	29,000	29,000	29,000	-	29,000
Connection fees ARCO Weed Heights	834,000	834,000	-	(834,000)	-
USDA - Sewer Line Project revenue	9,000,000	9,000,000	-	(9,000,000)	-
USDA - Sewer Line Project expenses	(9,000,000)	(9,000,000)	-	9,000,000	-
Miscellaneous income	-	-	106	106	25,357
Investment income	-	-	525	525	-
Interest expense	(104,402)	(104,402)	(147,509)	(43,107)	-
	<u>760,598</u>	<u>760,598</u>	<u>(116,226)</u>	<u>(876,824)</u>	<u>55,435</u>
<i>Total Nonoperating Revenues (Expenses)</i>					
	<u>760,598</u>	<u>760,598</u>	<u>(116,226)</u>	<u>(876,824)</u>	<u>55,435</u>
Income (Loss) before Contributions and Special Item	<u>1,016,987</u>	<u>1,016,987</u>	<u>207,741</u>	<u>(809,246)</u>	<u>422,196</u>
Capital Contributions					
Connection fees from customers	-	-	38,000	38,000	7,600
USDA Rural Development - Colony Sewer Grant	-	-	15,116	15,116	-
	<u>-</u>	<u>-</u>	<u>53,116</u>	<u>53,116</u>	<u>7,600</u>
<i>Total Capital Contributions</i>					
	<u>-</u>	<u>-</u>	<u>53,116</u>	<u>53,116</u>	<u>7,600</u>
Change in Net Position	<u>\$ 1,016,987</u>	<u>\$ 1,016,987</u>	<u>260,857</u>	<u>\$ (703,014)</u>	<u>429,796</u>
Net Position, July1			<u>4,944,567</u>		<u>4,514,771</u>
Net Position, June 30			<u>\$ 5,205,424</u>		<u>4,944,567</u>

CITY OF YERINGTON, NEVADA
SEWER UTILITY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT				
	ORIGINAL	FINAL	ACTUAL	VARIANCE	2020
Cash Flows From Operating Activities					
Receipts from customers	\$ 1,066,378	\$ 1,066,378	\$ 1,111,105	\$ 44,727	\$ 1,107,247
Payments to Lyon County	(40,000)	(40,000)	(44,354)	(4,354)	(42,183)
Payments of personnel costs	(364,812)	(364,812)	(324,407)	40,405	(336,639)
Payments for service and supplies	(275,177)	(275,177)	(221,412)	53,765	(279,964)
Net Cash Provided by Operating Activities	386,389	386,389	520,932	134,543	448,461
Cash Flows From Noncapital Financing Activities					
Miscellaneous income	2,000	2,000	1,758	(242)	26,435
Willowcreek agreement	29,000	29,000	29,000	-	2,900
Net Cash Provided by Non-Capital Financing Activities	31,000	31,000	30,758	(242)	29,335
Cash Flows From Capital And Related Financing Activities					
Capital contributions by customers	20,000	20,000	38,000	18,000	7,600
Capital contributions by grantor (USDA)	741,000	741,000	14,772	(726,228)	-
Capital contributions by Weed Heights	834,000	834,000	-	(834,000)	-
Capital contributions from USDA (Tribe)	1,248,000	1,248,000	-	(1,248,000)	-
Capital contributions from USDA (City)	15,068,000	15,068,000	15,577,000	509,000	-
Acquisition of capital assets USDA (Tribe)	(1,248,000)	(1,248,000)	-	1,248,000	-
Acquisition of capital assets USDA (City)	(15,068,000)	(15,068,000)	(4,887,473)	10,180,527	(595,698)
Acquisition of capital assets	(150,000)	(150,000)	-	150,000	-
Advance from Water Fund	-	-	-	-	130,000
Principal paid on long-term debt	(144,638)	(144,638)	-	144,638	-
Interest paid on long-term debt	(104,402)	(104,402)	(105,363)	(961)	-
Net Cash (Used) by Capital and Related Financing Activities	1,195,960	1,195,960	10,636,936	9,440,976	(458,098)
Cash Flows From Investing Activities					
Interest income	-	-	525	525	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,613,349	1,613,349	11,189,151	9,575,277	45,798
Cash and Cash Equivalents, July 1	1,268,320	1,268,320	1,304,640	36,320	1,258,842
Cash and Cash Equivalents, June 30	<u>\$ 2,881,669</u>	<u>\$ 2,881,669</u>	<u>\$ 12,493,791</u>	<u>\$ 9,611,597</u>	<u>\$ 1,304,640</u>

CITY OF YERINGTON, NEVADA
SEWER UTILITY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	BUDGETED AMOUNT		ACTUAL	VARIANCE	2020
	ORIGINAL	FINAL			
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 256,389	\$ 256,389	\$ 319,395	\$ 63,006	\$ 366,761
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	170,000	170,000	169,304	(696)	172,746
Net deferred OPEB expense	-	-	269	269	(92,700)
Net deferred pension expense	-	-	2,959	2,959	13,000
Changes in assets and liabilities					
Decrease (increase) in accounts receivable	(40,000)	(40,000)	(4,897)	35,103	7,326
Increase (decrease) in inventory	-	-	(10,989)	(10,989)	-
Increase (decrease) in consumer deposits	-	-	130	130	113
(Decrease) increase in accounts payable and accrued liabilities	-	-	44,761	44,761	(18,785)
Net Cash Provided by Operating Activities	<u>\$ 386,389</u>	<u>\$ 386,389</u>	<u>\$ 520,932</u>	<u>\$ 134,543</u>	<u>\$ 448,461</u>

CITY OF YERINGTON, NEVADA

Schedule of Property Tax Rates and Assessed Valuations
Last Twenty Years
(Unaudited)

FISCAL YEAR	CITY TAX RATE	ASSESSED VALUATION
2020-21	\$.4044	\$ 79,872,527
2019-20	.4044	74,598,100
2018-19	.4044	70,107,341
2017-18	.4044	64,193,011
2016-17	.4044	62,844,811
2015-16	.4044	60,903,135
2014-15	.4044	57,524,066
2013-14	.4044	56,732,755
2012-13	.4044	53,647,403
2011-12	.4044	55,656,691
2010-11	.4044	58,857,733
2009-10	.4044	64,470,671
2008-09	.4044	62,852,734
2007-08	.4044	57,998,651
2006-07	.4044	52,378,316
2005-06	.4044	42,627,093
2004-05	.4044	41,425,164
2003-04	.4044	41,832,125
2002-03	.4044	41,803,125
2001-02	.4044	41,796,083

Source: Nevada Department of Taxation *Property Tax Rates for Nevada Local Governments*

CITY OF YERINGTON, NEVADA

Governmental Revenues and Other Financing Sources by Source ⁽¹⁾

Last Ten Years

(Unaudited)

<u>Fiscal Year Ending June 30</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental Revenues</u>	<u>Charges For Services</u>	<u>Other Revenues</u>	<u>Other Financing Sources</u>	<u>Totals</u>
2021	\$ 785,444	\$ 425,935	\$ 1,722,776	\$ 111,461	\$ 91,062	\$ -	\$ 3,136,678
2020	547,337	494,095	899,132	139,161	132,926	-	2,212,651
2019	387,175	519,595	989,512	121,772	51,067	-	2,069,121
2018	337,572	299,664	3,409,043	99,180	62,545	-	4,208,004
2017	312,558	335,821	975,377	89,170	64,140	-	1,777,066
2016	295,252	316,683	929,979	141,187	2,064,209 ⁽²⁾	-	3,747,308
2015	307,099	297,192	1,188,242	139,547	1,171,605 ⁽²⁾	-	3,103,683
2014	295,033	333,179	849,934	189,037	40,287	-	1,707,470
2013	289,584	305,453	930,448	207,627	39,240	-	1,772,352
2012	273,462	287,970	1,984,277	216,665	34,992	6,079	2,803,445

(1) This Schedule includes revenues of the General Fund, Special Revenue Funds, and Capital Projects Fund.

(2) Significant contributions from Atlantic Richfield Company and Nevada Copper, Inc are included.

CITY OF YERINGTON, NEVADA

Governmental Expenditures by Function ⁽¹⁾

Last Ten Years

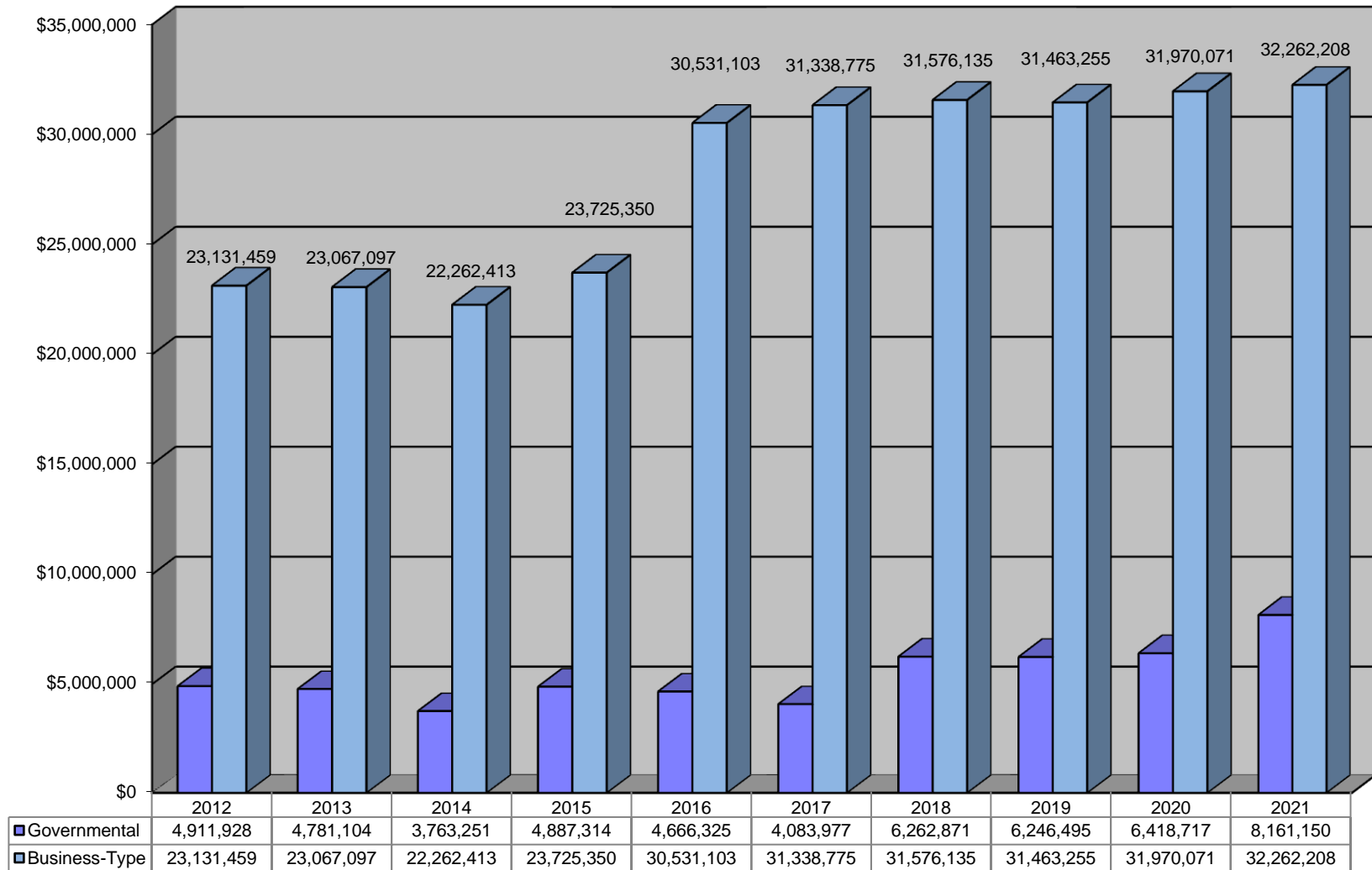
(Unaudited)

<u>Fiscal Year Ending June 30</u>	<u>General Government</u>	<u>Judicial</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Culture and Recreation</u>	<u>Health</u>	<u>Debt Service</u>	<u>Totals</u>
2021	\$ 913,568	\$ 80,920	\$ 1,209,145	\$ 667,938	\$ 58,512	\$ 15,585	\$ -	\$ 2,945,668
2020	288,698	71,462	1,254,516	297,821	16,417	54,108	-	1,983,022
2019	317,252	79,604	1,087,655	311,725	109,214	13,125	-	1,918,575
2018	349,447	88,099	1,002,313	2,943,167	51,081	18,485	-	4,452,592
2017	330,854	89,928	951,671	415,725	119,457	15,461	-	1,923,096
2016	2,352,006	75,397	906,068	382,133	99,828	11,036	-	3,826,468
2015	429,264	95,885	928,787	677,111	56,505	13,447	-	2,200,999
2014	286,085	49,772	799,852	344,146	44,512	14,950	-	1,539,317
2013	252,402	51,054	728,799	534,752	54,904	10,882	-	1,632,793
2012	235,120	42,045	786,894	1,657,718	58,104	13,621	-	2,793,502

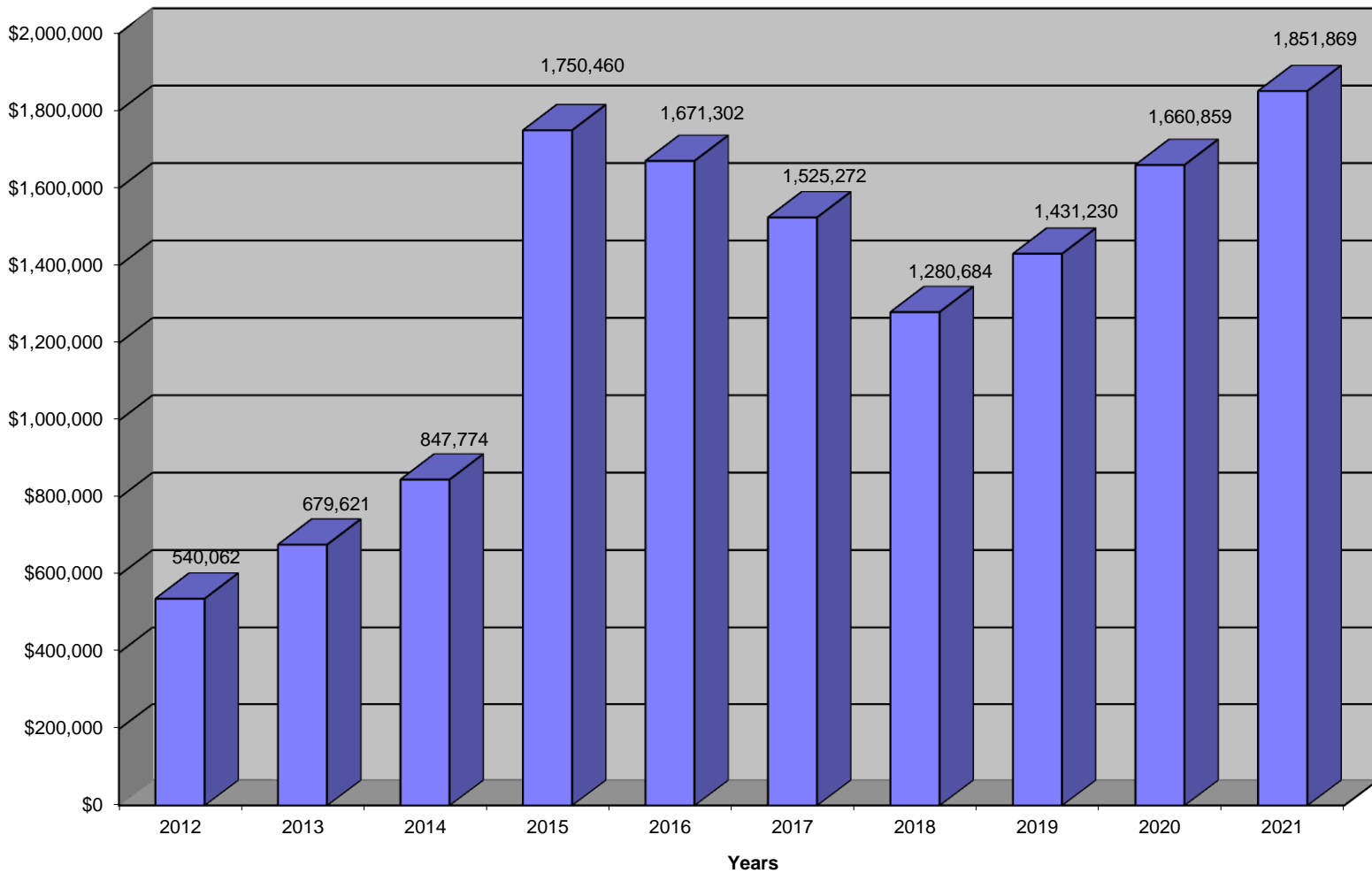
(1) This Schedule includes expenditures of the General Fund, Special Revenue Funds, and Capital Projects Fund.

CITY OF YERINGTON, NEVADA
NET POSITION
Last Ten Years
(Unaudited)

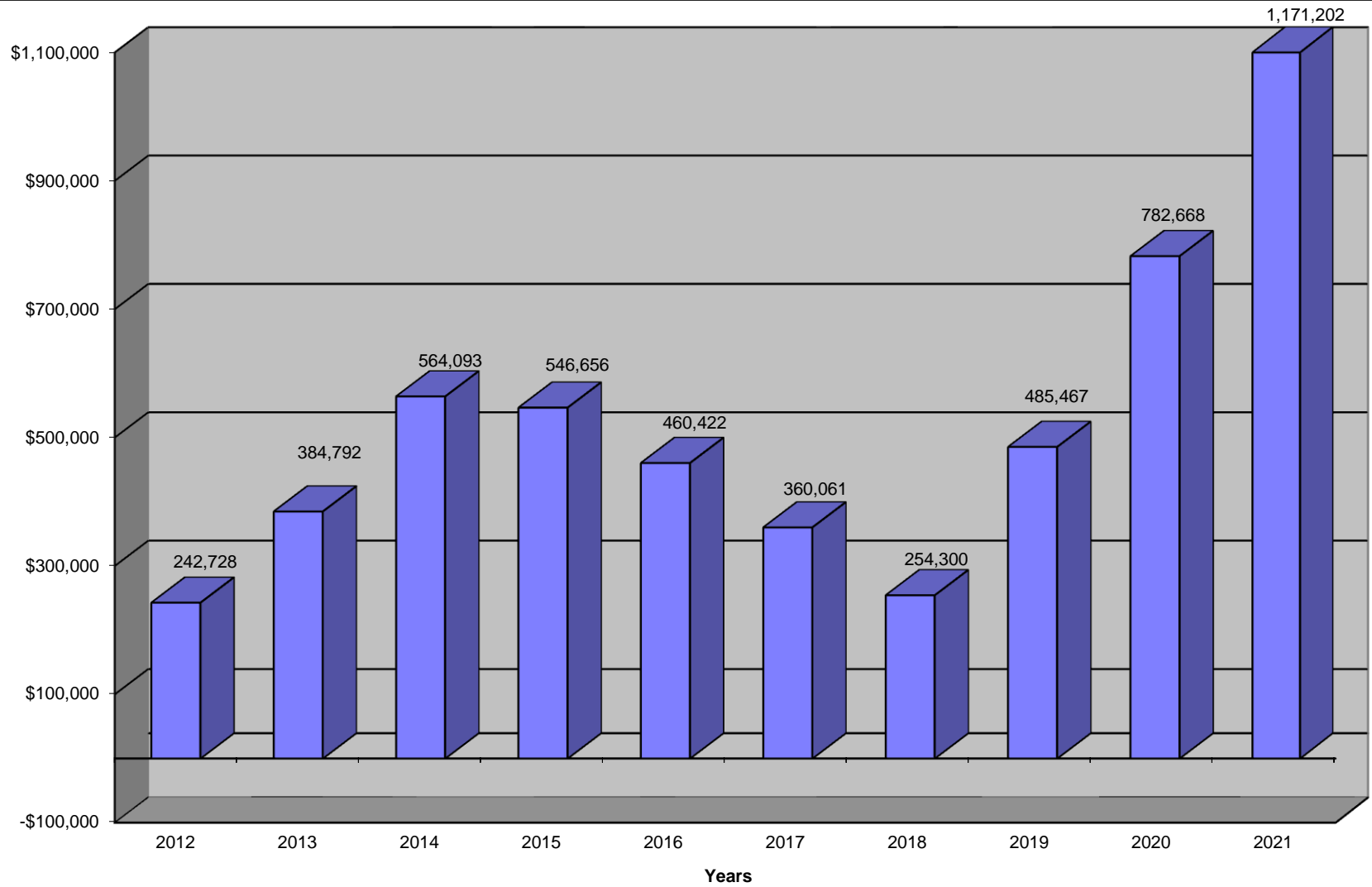
Year 2014 net position was restated by \$1,146,798 for governmental activities and \$846,696 business-type activities as required by GASB 68.



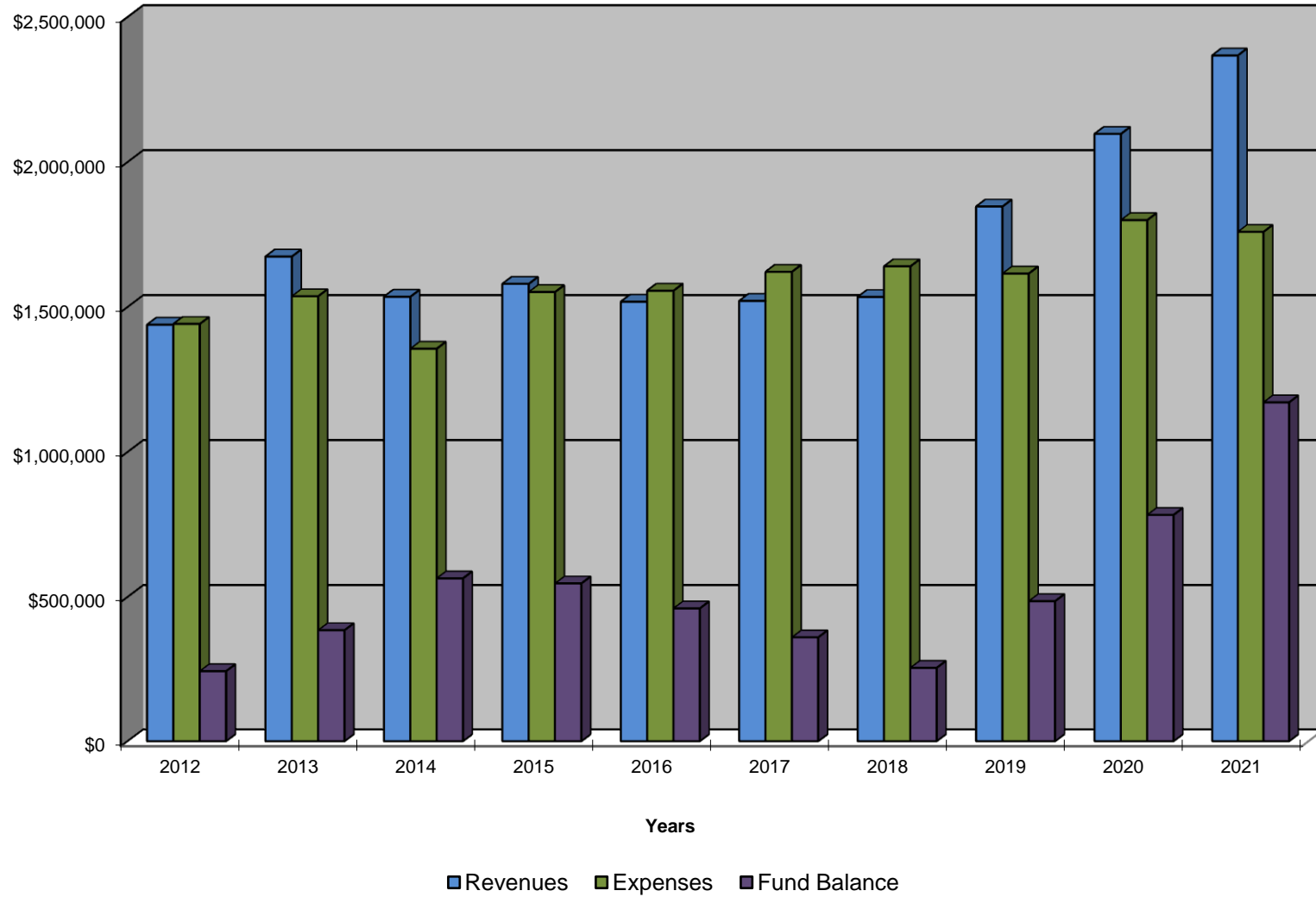
CITY OF YERINGTON, NEVADA
ALL GOVERNMENTAL FUNDS
FUND BALANCE - LAST TEN YEARS
(Unaudited)



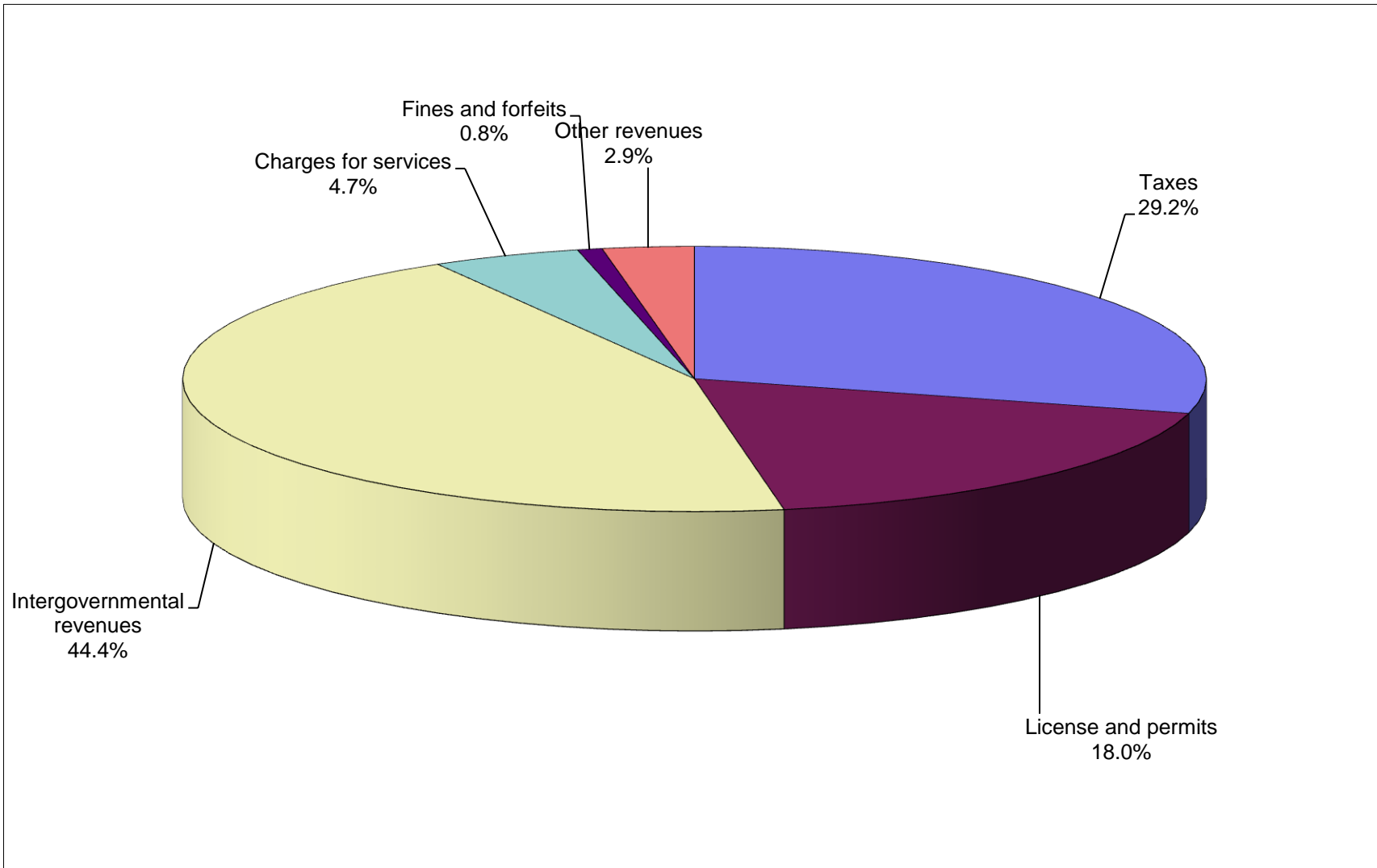
CITY OF YERINGTON, NEVADA
GENERAL FUND - BUDGET BASIS
FUND BALANCE - LAST TEN YEARS
(Unaudited)



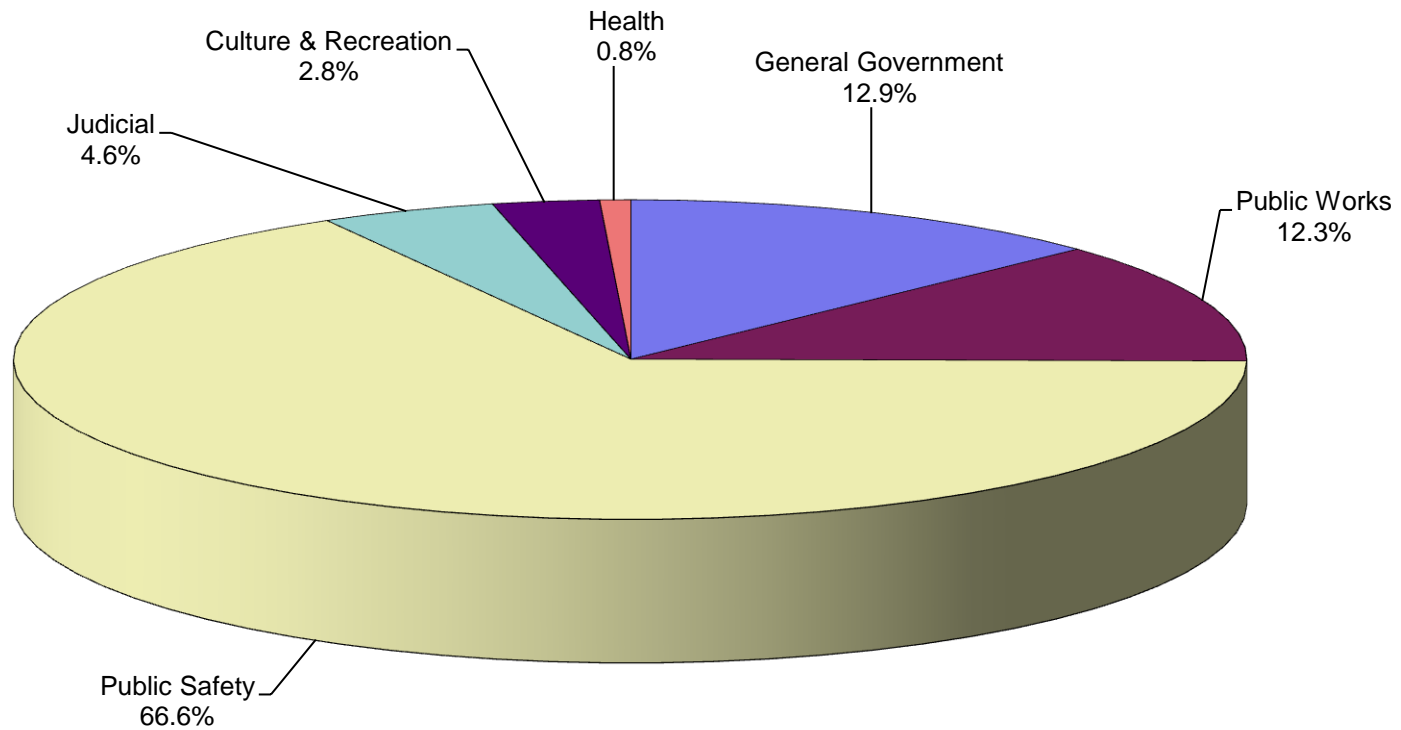
CITY OF YERINGTON, NEVADA
GENERAL FUND - BUDGET BASIS
REVENUES, EXPENDITURES, AND FUND BALANCE - LAST TEN YEARS
(Unaudited)



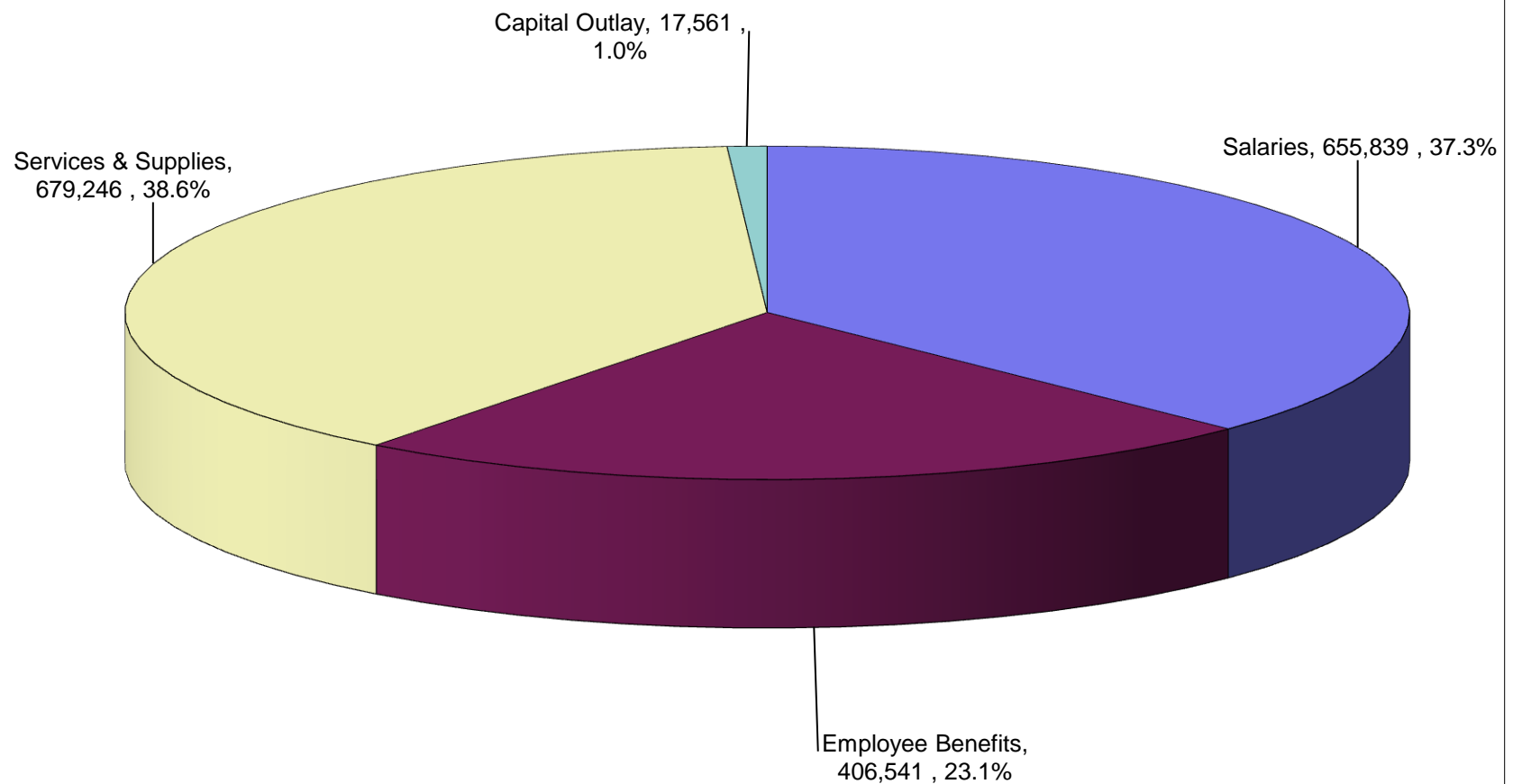
CITY OF YERINGTON, NEVADA
GENERAL FUND - BUDGET BASIS
REVENUES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)



CITY OF YERINGTON, NEVADA
GENERAL FUND - BUDGET BASIS
EXPENDITURES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)



CITY OF YERINGTON, NEVADA
GENERAL FUND - BUDGET BASIS
EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)





A Professional Corporation

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

To the Honorable Mayor and City Council
City of Yerington, 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, business-type activities, each major fund of the City of Yerington, Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Yerington's basic financial statements and have issued our report thereon dated December 9, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

30 Broadway Avenue, Yerington, NV 89447 | (o) 775-463-4100 | (f) 775-463-3334 | Sciarani.com

Compliance and Other Matters

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

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.

Sciarani & Co.

Yerington, Nevada
December 9, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
UNIFORM GUIDANCE

To the Honorable Mayor and City Council
City of Yerington, Nevada

Report on Compliance of Each Major Federal Program

We have audited the City of Yerington, Nevada's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Yerington, Nevada's major federal programs for the year ended June 30, 2021. City of Yerington, Nevada's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Yerington, Nevada's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Yerington, Nevada's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Yerington, Nevada's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Yerington, Nevada, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Yerington, Nevada, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Yerington, Nevada's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Yerington, Nevada's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Yerington, Nevada
December 9, 2021

CITY OF YERINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Agriculture:</u>				
Direct Programs:				
Water and Waste Disposal Systems for Rural Communities:				
Water Loan - Yerington Water Lines	10.760	PWP-LY-2020-01	\$ 6,931,573	
Sewer Loan - Yerington Sewer Lines	10.760	PWP-LY-2020-01	6,165,705	
Water and Waste Disposal Loans and Grants:				
Water Grant - Indian Colony	10.770	PWP-LY-2020-01	61,779	
Sewer Grant - Indian Colony	10.770	PWP-LY-2020-01	15,116	
Total Water/Sewer Loan Program				\$ 13,174,173
Community Facilities Loans and Grants:				
USDA Facility Grant	10.766	3570-3		50,000
Total U.S. Department of Agriculture				13,224,173
<u>U.S. Department of Housing and Urban Development:</u>				
Pass-through program from State Commission on Economic Development:				
Community Development Block Grant				
Boys & Girls Club Grant	14.228	CDBG-CV20/PS/09		8,485
Total U.S. Department of Housing and Urban Development				8,485
<u>U.S. Department of Transportation:</u>				
Federal Aviation Administration				
Direct Program:				
Airport Improvement Program	20.106	3-32-0022-018-2020		151,697
FAA Cares Act	20.106	3-32-0022-019-2020		30,000
Total U.S. Department of Transportation				181,697
<u>U.S. Department of the Treasury:</u>				
Pass-through program from the State of Nevada, Governor's Finance Office				
Coronavirus Relief Fund	21.019	N/A		481,906
Total U.S. Department of the Treasury				481,906
Total Expenditures of Federal Awards				\$ 13,896,261

CITY OF YERINGTON, NEVADA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note A- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Yerington, Nevada under programs of the federal government for the year ending June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule present only a selected portion of the operations of the City of Yerington, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Yerington.

Note B- Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for Audits of State, Local, and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as reimbursement. When applicable, negative amount shown on the Schedule represent adjustments or credits made in the normal course of business as expenditures in prior years.

Indirect Costs

The City did not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C – Commodity Food Distributions Received

The City does not participate in any commodities consumed programs.

Note D – Subrecipients

The City of Yerington did not pass any federal awards received to any other government or not-for-profit agencies.

Note E – Matching Requirements

Certain Federal programs require the City of Yerington to contribute non-Federal funds (matching funds) to support the Federally Funded programs. City of Yerington has met its matching requirements. The Schedule does not include the expenditure for non-Federal matching funds.

CITY OF YERINGTON, NEVADA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note F – Federally Funded Loan Programs

The City of Yerington executed a letter of award with USDA Rural Development to finance with loan and grant funding for the City Water and Sewer Line Replacement Project. The City executed a \$32,830,000 Interim Debentures Series 2020 with Zion Bancorporation for construction costs incurred during the construction process. Upon certification of substantial completion of the construction project, USDA Rural Development will issue revenue bonds to redeem the interim debentures.

CFDA Number	Program Name	Beginning Balance of Loan as of July 1, 2020	Beginning Balance of Loan as of June 30, 2021	New Loans Processed
10.760	Water and Waste Disposal System for Rural Communities - Water	\$ -	\$ 6,931,573	\$ 6,931,573
10.760	Water and Waste Disposal System for Rural Communities - Sewer	-	6,165,705	6,165,705
Total New Loans Processed		\$ -	\$ 13,097,278	\$ 13,097,278

Reconciliation to Financial Statements:

	<u>Water</u>	<u>Sewer</u>
Actual loan draws at June 30, 2021	\$ 6,104,599	\$ 5,557,167
June 2021 accounts payable process in August	531,904	361,430
Retainage on construction work completed	<u>295,070</u>	<u>247,108</u>
Total New Loan Proceeds	<u>\$ 6,931,573</u>	<u>\$ 6,165,705</u>

CITY OF YERINGTON, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONS COSTS
FOR THE YEAR ENDED JUNE 30, 2021

A. Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
<u>CFDA#</u> <u>Name of Federal Program or Cluster</u>	
10.760 Water & Waste Disposal System for Rural Communities – Water and Sewer	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

CITY OF YERINGTON, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

B. Findings – Financial Statement Audit

No audit findings were reported.

C. Findings and Questioned Costs – Major Federal Award Program Audit

No audit findings were reported.

CITY OF YERINGTON, NEVADA
STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021

B. Findings – Financial Statement Audit

No prior year audit findings were reported.



INDEPENDENT ACCOUNTANT'S REPORT ON
NEVADA REVISED STATUTES 354.6241

To the Honorable Mayor and City Council
City of Yerington, Nevada

We have reviewed management's assertion made in accordance with Nevada Revised Statute 354-624(5)(a) with respect to the funds of the City of Yerington as of and for the year ended June 30, 2021 that:

- The identified funds are being used expressly for the purposes for which that were created.
- The Funds are administered in accordance with accounting principles generally accepted in the United States of America.
- The restricted fund balance/net position in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2021 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements.
- The funds conform to significant statutory and regulatory constraints on their financial statements administration during the year ended June 30, 2021 except for the two instances of expenses in excess of budget appropriations as described in Note 19.

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

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

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

Sciarani & Co.

Yerington, Nevada
December 9, 2021

INDEPENDENT AUDITOR'S COMMENTS
JUNE 30, 2021

Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 19 to the financial statements.

Prior Year Audit Recommendation

There were no specific recommendations made in the audit report for the fiscal year ended June 30, 2020.

Current Year Audit Recommendations

The Schedule of Findings and Responses included in this audit report provides a listing of our current year recommendations.