

CITY OF CALIENTE, NEVADA
REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

CITY OF CALIENTE, NEVADA
REPORT ON FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024
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**CITY OF CALIENTE, NEVADA
CITY COUNCIL MEMBERS
JUNE 30, 2024**

Mayor:

Steve Rowe

City Council Members:

George "Tommy" Rowe

Sean FitzSimons

Joseph Livreri

Jamin Hunter

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5-14, Schedule of Changes in the City's Total Other Post Employment Benefits Liability and Related Ratios on pages 63-64, Schedule of the City's Contributions to the Public Employees' Retirement System of the State of Nevada on Page 65, and Schedule of the City's Proportionate Share of the Net Pension Liability Public Employees' Retirement System of the State of Nevada on page 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended June 30, 2023 which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund financial statements and schedules for the year ended June 30, 2023, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of those 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 2023 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025 on our consideration of the City's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada
February 14, 2025

**CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

As management of the City of Caliente, Nevada, we offer readers of the City of Caliente, Nevada's (the City) financial statements this narrative overview and analysis of the financial activities of the City, for the fiscal year ended June 30, 2024. The Management's Discussion and Analysis ("MD&A") introduces the financial reports for the City. The MD&A is designed to give the reader an easy-to-understand overview of the City's financial position and results of operations for the year. The MD&A is separated into Financial Highlights, an Overview of the Financial Statements, Government-Wide Financial Analysis, Financial Analysis of the City's Governmental Funds, Financial Analysis of the City's Enterprise Funds, General Fund Budgetary Highlights, Capital Assets, Debt Administration, and Economic Factors and Next Year's Budget.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the 2024 fiscal year by \$13,255,626 (net position). Total net position represents approximately \$11,647,706 in net investment in capital assets and \$565,855 in assets restricted for debt services, capital projects, public works, and for other purposes. The remaining \$1,042,065 represents unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors.

The government-wide net position of the City increased during the fiscal year 2024 by \$2,364,963, or 21.72%.

The City's government-wide primary revenue sources for governmental activities were consolidated tax of \$180,070, property tax of \$184,369, and capital grants of \$2,773,832. These revenue sources comprised 5.01%, 5.13%, and 77.14%, respectively, or 87.28%, of total governmental activities revenues. Business-type activities revenue from charges for services was \$2,420,072.

The City's total government-wide expenses were \$3,744,480. The greatest expenses for governmental activities were in the culture and recreation \$721,753, general government \$290,901, public works \$172,339, and public safety \$169,418 functions. Business-type activities contributed \$2,343,871 to total expenses.

At the end of fiscal year 2024, the City's governmental funds reported combined fund balances of \$1,059,884, an increase of \$959,005, or 950.65%, when compared to the previous year. This is due to the City receiving grant revenue of \$766,295 that was considered unavailable in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains individual governmental funds. Information is presented separately in the governmental Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund financial statements and schedules.

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

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position of the City is summarized below:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 1,995,700	\$ 2,944,787	\$ 1,366,723	\$ 1,137,535	\$ 3,362,423	\$ 4,082,322
Net capital assets	10,059,945	8,079,668	2,483,153	2,676,502	12,543,098	10,756,170
Total Assets	12,055,645	11,024,455	3,849,876	3,814,037	15,905,521	14,838,492
Deferred Outflows of Resources	94,207	102,350	184,114	222,063	278,321	324,413
Liabilities:						
Current liabilities	921,970	2,075,812	166,196	213,437	1,088,166	2,289,249
Long-term liabilities	219,226	236,883	1,505,951	1,621,439	1,725,177	1,858,322
Total Liabilities	1,141,196	2,312,695	1,672,147	1,834,876	2,813,343	4,147,571
Deferred Inflows of Resources	37,745	38,608	77,128	86,063	114,873	124,671
Net Position:						
Net investment in capital assets	10,059,945	8,079,668	1,587,761	1,699,955	11,647,706	9,779,623
Restricted	415,050	292,179	150,805	150,048	565,855	442,227
Unrestricted	495,916	403,655	546,149	265,158	1,042,065	668,813
Total Net Position	\$ 10,970,911	\$ 8,775,502	\$ 2,284,715	\$ 2,115,161	\$ 13,255,626	\$ 10,890,663

Net position may serve as a useful indicator of the City's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$13,255,626 as of June 30, 2024. Using the net position as an indicator, the City's financial position has increased 21.72%, or \$2,364,963, from 2023. The details of this change can be found on the Changes in Net Position statement on page 9 of the Management's Discussion and Analysis.

The largest portion of the City's net position, 87.87%, reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, etc.). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

The City's restricted net position, 4.27%, represents resources that are subject to external restrictions on how they may be used. Of this restricted net position, 39.24% is for debt service, 39.78% for capital projects, and the remaining 20.98% is restricted for other purposes.

The unrestricted portion of the City's net position is 7.86%.

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Governmental Activities		Business-type Activities		Total Primary Governmental	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 116,945	\$ 101,109	\$2,420,072	\$2,174,241	\$ 2,537,017	\$ 2,275,350
Operating grants	4,157	9,951	-	-	4,157	9,951
Capital grants	2,773,832	1,403,724	29,611	-	2,803,443	1,403,724
General revenues:						
Property tax	184,369	175,679	-	-	184,369	175,679
Consolidated tax	180,070	176,005	-	-	180,070	176,005
Fuel tax	96,865	95,914	-	-	96,865	95,914
Room tax	109,028	111,456	-	-	109,028	111,456
Marijuana	73,670	124,577	-	-	73,670	124,577
Investment income	17,116	3,204	826	260	17,942	3,464
Insurance reimbursement	-	-	-	227,490	-	227,490
Miscellaneous	16,266	5,846	31,446	31,327	47,712	37,173
Gain on sale of assets	23,700	-	31,470	-	55,170	-
Total revenues	<u>3,596,018</u>	<u>2,207,465</u>	<u>2,513,425</u>	<u>2,433,318</u>	<u>6,109,443</u>	<u>4,640,783</u>
Expenses:						
General government	290,901	422,991	-	-	290,901	422,991
Judicial	33,767	34,120	-	-	33,767	34,120
Public safety	169,418	246,988	-	-	169,418	246,988
Public works	172,339	168,720	-	-	172,339	168,720
Health and sanitation	3,592	1,733	-	-	3,592	1,733
Culture and recreation	721,753	698,941	-	-	721,753	698,941
Intergovernmental	8,839	10,629	-	-	8,839	10,629
Interest	-	366	-	-	-	366
Utility operations	-	-	2,343,871	2,277,999	2,343,871	2,277,999
Total expenses	<u>1,400,609</u>	<u>1,584,488</u>	<u>2,343,871</u>	<u>2,277,999</u>	<u>3,744,480</u>	<u>3,862,487</u>
Change in net position	2,195,409	622,977	169,554	155,319	2,364,963	778,296
Net position - beginning	<u>8,775,502</u>	<u>8,152,525</u>	<u>2,115,161</u>	<u>1,959,842</u>	<u>10,890,663</u>	<u>10,112,367</u>
Net position - ending	<u>\$10,970,911</u>	<u>\$ 8,775,502</u>	<u>\$2,284,715</u>	<u>\$2,115,161</u>	<u>\$13,255,626</u>	<u>\$10,890,663</u>

Program revenues include charges for services, operating and capital grants. Program revenues from governmental activities increased by \$1,380,150 or 91.11%, mainly due to an increase in grant revenues for the depot restoration project. Program revenues from business-type activities increased by \$275,442, or 12.67%, due to an increase in charges for services related to rate increases and capital grants.

General revenues consist of taxes, miscellaneous, and interest not allocable to specific programs. For governmental activities, the largest revenues are property taxes and consolidated taxes. For business-type activities there was an increase due to supplies costs.

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

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

Governmental Funds:

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$1,059,884, an increase of \$959,005, or 950.65%, from the prior year. Fund balance components are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed on the use of the resources of each fund.

Restricted fund balance of \$415,050 is constrained by externally imposed (statutory, bond covenant, contributors, or grantors) limitations on their use. The largest restricted fund balances include \$200,878 for capital projects, \$91,463 for public works, and \$95,471 for debt service. Committed fund balances of \$513,779 have spending constrained by the City Council. Committed balances in the special revenue funds are primarily due to revenues directed by the Council to those funds to support programs. The largest committed fund balances include \$319,042 for general government and \$194,737 for culture and recreation. The nonspendable fund balance relates to prepaid items which would be recognized as a 2025 expense. The assigned fund balance of \$86,338 for subsequent year. The unassigned fund balance of \$42,693 can be used to meet ongoing expenditures.

Major Governmental Fund:

General Fund: The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$131,055. The General Fund revenues increased by \$3,018,280, or 328.86%. Taxes decreased by \$3,443, or 2.07% due to increased deferrals. Intergovernmental revenues increased by \$2,994,224, or 411.64%, due to grant revenue for coronavirus state and local fiscal recovery funding and depot restoration grant revenue.

Expenditures increased by \$1,445,818, or 84.59%. General government expenditures increased by \$1,517,185, or 101.24%, primarily due to expenditures for the depot restoration grant funded project. Public safety expenditures decreased by \$74,520, or 42.47%, primarily due to prior year expenses for sheriff paid for with grant funding.

FINANCIAL ANALYSIS OF THE CITY'S ENTERPRISE FUNDS

Enterprise Funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the enterprise funds totaled \$2,284,715. Total net position for these funds increased by \$169,554 from the prior year.

Major Proprietary Funds:

Utility Enterprise-Water Fund: The Utility Enterprise Water Fund operating revenues increased by \$7,879, or 3.41% due to an increase in customer usage. Operating expenditures decreased by \$28,493, or 16.00%, due primarily to decreases in services and supplies and general administration expenses.

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

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

Major Proprietary Funds: (Continued)

Utility Enterprise-Sewer Fund: The Utility Enterprise Sewer Fund operating revenues increased \$9,126, or 3.91% due to an increase in customer rates. Operating expenditures increased by \$6,041, or 2.96%. This increase is due to an increase in salaries, benefits, services and supplies, and depreciation expense.

Utility Enterprise-Electricity Fund: The Utility Enterprise Electricity Fund operating revenues increased by \$218,519, or 15.19%, due to an increase in customer rates. Operating expenditures increased by \$142,691, or 9.37% primarily due to increased service and supply expenditures related to the maintenance contract and utility costs with Lincoln Power District and general administration expenses. Nonoperating revenues increased by \$22,390 primarily due to gain on disposal of capital assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget (2023-24 Final Budget) was approved May 25, 2023.

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

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

Overall, the revenues received were more than budgeted by 0.62%, or \$24,225, this is related to an increase in licenses and investment income. A review of actual expenditures compared to the appropriations in the final budget shows expenditures were \$805,933 less than budgeted, or 20.35%. Expenditures were under budget for all functions except health and sanitation due to increased cemetery costs.

Actual fund balance of \$131,055. This was \$44,717 higher than anticipated to begin the 2024-2025 year.

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS

The City's net investment in capital assets, on June 30, 2024, was \$10,059,945 for governmental activities. Business-type activities were \$2,470,987 in capital assets and \$12,166 in intangible assets. A summary of changes in capital and intangible assets for the year ended June 30, 2024, follows:

Governmental Activities:	Balance			Balance
	June 30, 2023	Additions	Deletions	June 30, 2024
Capital assets not being depreciated:				
Land	\$ 205,049	\$ -	\$ -	\$ 205,049
Construction in progress	1,262,876	2,748,813	-	4,011,689
Total capital assets not being depreciated	1,467,925	2,748,813	-	4,216,738
Capital assets being depreciated:				
Building	687,604	-	-	687,604
Improvements	14,478,658	24,000	-	14,502,658
Equipment	3,932,843	2,065	-	3,934,908
Infrastructure	518,903	-	-	518,903
Total capital assets being depreciated	19,618,008	26,065	-	19,644,073
Less accumulated depreciation for:				
Building	353,484	9,580	-	363,064
Improvements	8,877,254	700,417	-	9,577,671
Equipment	3,663,946	74,226	-	3,738,172
Infrastructure	111,581	10,378	-	121,959
Total accumulated depreciation	13,006,265	794,601	-	13,800,866
Total capital assets being depreciated, net	6,611,743	(768,536)	-	5,843,207
Governmental activities, net	<u>\$ 8,079,668</u>	<u>\$ 1,980,277</u>	<u>\$ -</u>	<u>\$ 10,059,945</u>

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

- Purchase of equipment for fire department.
- Improvements for curb and gutter and the museum.
- Construction in progress includes the Depot restoration project. There are currently construction commitments related to this project, see Note D3.

CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS (Continued)

Business-Type Activities:	Balance			Balance
	June 30, 2023	Additions	Deletions	June 30, 2024
Capital assets not being depreciated:				
Land	\$ 274,501	\$ -	\$ -	\$ 274,501
Water rights	195,745	-	-	195,745
Total capital assets not being depreciated	470,246	-	-	470,246
Capital assets being depreciated:				
Water	3,098,427	17,654	-	3,116,081
Sewer	4,540,678	6,987	-	4,547,665
Garbage	476,990	15,322	-	492,312
Mosquito	6,223	-	-	6,223
Electricity	2,324,850	-	-	2,324,850
Total capital assets being depreciated	10,447,168	39,963	-	10,487,131
Less accumulated depreciation for:				
Water	2,956,029	18,386	-	2,974,415
Sewer	3,270,720	108,671	-	3,379,391
Garbage	293,265	30,623	-	323,888
Mosquito	1,867	622	-	2,489
Electricity	1,736,635	69,572	-	1,806,207
Total accumulated depreciation	8,258,516	227,874	-	8,486,390
Total capital assets being depreciated, net	2,188,652	(187,911)	-	2,000,741
Business-type activities, net	\$ 2,658,898	\$ (187,911)	\$ -	\$ 2,470,987

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

- Waste equipment includes a trash compactor truck and dumpsters. Water and sewer equipment include meters.

Intangible Assets

Business-Type Activities:	Balance			Balance
	June 30, 2023	Additions	Deletions	June 30, 2024
Intangible assets	\$ 27,189	\$ -	\$ -	\$ 27,189
Less accumulated amortization	9,585	5,438	-	15,023
Business-type activities intangible assets, net	\$ 17,604	\$ (5,438)	\$ -	\$ 12,166

Business-type activities intangible assets during the current fiscal year included the following:

- Copy machine and postage machine.

There are no construction commitments as of June 30, 2024.

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For the year ended June 30, 2024

**CITY OF CALIENTE, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

DEBT ADMINISTRATION

Changes in Long-term Debt: During the year ended June 30, 2024, the following changes occurred in long-term debt:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due within</u> <u>one year</u>
Governmental Activities:					
Compensated Absences	\$ 2,962	\$ -	\$ 1,022	\$ 1,940	\$ 770
Total OPEB Liability	21,606	-	1,693	19,913	-
Net Pension Liability	212,315	-	14,942	197,373	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 236,883</u>	<u>\$ -</u>	<u>\$ 17,657</u>	<u>\$ 219,226</u>	<u>\$ 770</u>
	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due within</u> <u>one year</u>
Business-Type Activities:					
Revenue Bonds	\$ 937,683	\$ -	\$ 55,074	\$ 882,609	\$ 57,448
Notes Payable From Direct Borrowing	20,700	-	20,700	-	-
Lease Obligations	18,164	-	5,381	12,783	5,599
Compensated Absences	13,887	4,744	-	18,631	8,011
Net Pension Liability	631,005	-	39,077	591,928	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 1,621,439</u>	<u>\$ 4,744</u>	<u>\$ 120,232</u>	<u>\$ 1,505,951</u>	<u>\$ 71,058</u>

The City's debt decreased by \$17,657 for governmental activities during the current fiscal year. The reason for the decrease was a decrease in compensated absences, OPEB, and net pension liability. The City's debt decreased by \$115,488 for business-type activities during the current fiscal year. The reason for the decrease was a decrease in bonds and notes payable, OPEB, and net pension liability.

Per Nevada Revised Statute Chapter 266.600(4), the debt limitation for the City is equal to 20 percent of the assessed valuation of property, excluding motor vehicles for the current year. The debt limitation currently applicable at June 30, 2024, was \$4,032,208. This does not include revenue bonds, which are exempt from this statute.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City approved the budget for the 2024-2025 year on May 23, 2024. The following factors were considered in the development of the budget.

- Assessed valuation for the City is projected to increase and tax rates remain unchanged. Therefore, property tax revenues are expected to be higher.

REQUESTS FOR INFORMATION

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

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

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For the year ended June 30, 2024

BASIC FINANCIAL STATEMENTS

CITY OF CALIENTE, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 1,502,870	\$ 1,005,975	\$ 2,508,845
Taxes receivable	23,338	-	23,338
Due from other governments	448,222	-	448,222
Due from others	7,546	-	7,546
Accounts receivable (net of allowance for uncollectible)	11,700	194,092	205,792
Prepaid items	2,024	3,102	5,126
Restricted assets- cash	-	163,554	163,554
Capital assets, net of accumulated depreciation	10,059,945	2,470,987	12,530,932
Intangible assets, net of accumulated amortization	-	12,166	12,166
Total assets	<u>12,055,645</u>	<u>3,849,876</u>	<u>15,905,521</u>
Deferred Outflows of Resources:			
Pension related	92,839	184,114	276,953
OPEB related	1,368	-	1,368
Total deferred outflows of resources	<u>94,207</u>	<u>184,114</u>	<u>278,321</u>
Liabilities:			
Accounts payable	538,284	120,660	658,944
Accrued payroll	26,219	9,096	35,315
Unearned revenue	357,467	-	357,467
Customer deposits payable from restricted cash	-	32,823	32,823
Accrued interest	-	3,617	3,617
Noncurrent liabilities:			
Due within one year	770	71,058	71,828
Due in more than one year	218,456	1,434,893	1,653,349
Total liabilities	<u>1,141,196</u>	<u>1,672,147</u>	<u>2,813,343</u>
Deferred Inflows of Resources:			
Pension related	<u>37,745</u>	<u>77,128</u>	<u>114,873</u>
Net Position:			
Net investment in capital assets	10,059,945	1,587,761	11,647,706
Restricted for:			
General government	5,369	-	5,369
Judicial	1,816	-	1,816
Public safety	20,053	-	20,053
Public works	91,463	-	91,463
Capital projects	200,878	24,242	225,120
Debt service	95,471	126,563	222,034
Unrestricted	495,916	546,149	1,042,065
Total net position	<u>\$ 10,970,911</u>	<u>\$ 2,284,715</u>	<u>\$ 13,255,626</u>

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

CITY OF CALIENTE, NEVADA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

YEAR ENDED JUNE 30, 2024					Net (Expense) Revenue and		
Program Revenues					Changes in Net Position		
Functions/Programs	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ (290,901)	\$ 36,293	\$ -	\$ 2,771,767	\$ 2,517,159	\$ -	\$ 2,517,159
Judicial	(33,767)	-	-	-	(33,767)	-	(33,767)
Public safety	(169,418)	35,941	-	2,065	(131,412)	-	(131,412)
Public works	(172,339)	-	-	-	(172,339)	-	(172,339)
Health and sanitation	(3,592)	5,650	-	-	2,058	-	2,058
Culture and recreation	(721,753)	39,061	4,157	-	(678,535)	-	(678,535)
Intergovernmental	(8,839)	-	-	-	(8,839)	-	(8,839)
Total governmental activities	(1,400,609)	116,945	4,157	2,773,832	1,494,325	-	1,494,325
Business-type Activities:							
Water	(159,614)	238,740	-	17,654	-	96,780	96,780
Sewer	(242,354)	242,501	-	-	-	147	147
Electricity	(1,667,917)	1,657,370	-	-	-	(10,547)	(10,547)
Waste collection	(240,986)	256,736	-	11,957	-	27,707	27,707
Mosquito abatement	(11,135)	7,231	-	-	-	(3,904)	(3,904)
Building	(21,865)	17,494	-	-	-	(4,371)	(4,371)
Total business-type activities	(2,343,871)	2,420,072	-	29,611	-	105,812	105,812
Total primary governments	<u>\$(3,744,480)</u>	<u>\$2,537,017</u>	<u>\$ 4,157</u>	<u>\$ 2,803,443</u>	<u>1,494,325</u>	<u>105,812</u>	<u>1,600,137</u>
General Revenues:							
Property tax					184,369	-	184,369
Consolidated tax					180,070	-	180,070
Fuel tax					96,865	-	96,865
Room tax					109,028	-	109,028
Marijuana					73,670	-	73,670
Investment income					17,116	826	17,942
Miscellaneous					16,266	31,446	47,712
Gain on sale of assets					23,700	31,470	55,170
Total general revenues					701,084	63,742	764,826
Change in net position					2,195,409	169,554	2,364,963
Net position - beginning of year					8,775,502	2,115,161	10,890,663
Net position - end of year					<u>\$10,970,911</u>	<u>\$ 2,284,715</u>	<u>\$13,255,626</u>

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

CITY OF CALIENTE, NEVADA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>Major Funds</u>	<u>Other</u>	
	General	Governmental	
	Fund	Funds	Totals
Assets:			
Pooled cash	\$ 606,169	\$ 896,701	\$ 1,502,870
Taxes receivable	14,477	8,861	23,338
Due from other governments	431,836	16,386	448,222
Due from others	-	7,546	7,546
Accounts receivable	-	11,700	11,700
Prepaid items	2,024	-	2,024
Total assets	<u>\$ 1,054,506</u>	<u>\$ 941,194</u>	<u>\$ 1,995,700</u>
Liabilities:			
Accounts payable	\$ 530,363	\$ 7,921	\$ 538,284
Accrued payroll	21,775	4,444	26,219
Unearned revenue	357,467	-	357,467
Total liabilities	<u>909,605</u>	<u>12,365</u>	<u>921,970</u>
Deferred Inflows of Resources:			
Unavailable revenues - property taxes	<u>13,846</u>	<u>-</u>	<u>13,846</u>
Fund Balance:			
Nonspendable	2,024	-	2,024
Restricted for:			
General government	-	5,369	5,369
Judicial	-	1,816	1,816
Public safety	-	20,053	20,053
Public works	-	91,463	91,463
Capital projects	-	200,878	200,878
Debt service	-	95,471	95,471
Committed for:			
General government	-	319,042	319,042
Culture and recreation	-	194,737	194,737
Assigned for subsequent year	86,338	-	86,338
Unassigned	42,693	-	42,693
Total fund balance	<u>131,055</u>	<u>928,829</u>	<u>1,059,884</u>
Total liabilities, deferred inflows of resources, and fund balances(deficits)	<u>\$ 1,054,506</u>	<u>\$ 941,194</u>	<u>\$ 1,995,700</u>

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

CITY OF CALIENTE, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds	\$ 1,059,884
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets net of the related depreciation are not reported in the Governmental Funds financial statements because they are not current financial resources, but they are reported in the Statement of Net Position.	10,059,945
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Certain liabilities (such as notes payable and financed purchases payable) are not reported in the Governmental Funds financial statements because they are not due and payable, but they are presented as liabilities in the Statement of Net Position.	(1,940)
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	13,846
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The City's other post-employment benefits liabilities as well as other post-employment benefits-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred outflows from other post-employment benefits.	1,368
Total other post-employment benefits liability.	(19,913)

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

Deferred outflows from pension activity.	92,839
Net pension liability.	(197,373)
Deferred inflows from pension activity.	<u>(37,745)</u>

Total Net Position - Governmental Activities	<u>\$ 10,970,911</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF CALIENTE, NEVADA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Major Funds	Other	
	General	Governmental	
	Fund	Funds	Totals
Revenues:			
Taxes	\$ 162,688	\$ 109,028	\$ 271,716
Licenses and permits	25,493	73,670	99,163
Intergovernmental	3,721,612	108,566	3,830,178
Charges for services	5,650	75,002	80,652
Miscellaneous	20,640	24,219	44,859
Total revenues	<u>3,936,083</u>	<u>390,485</u>	<u>4,326,568</u>
Expenditures:			
Current:			
General government	3,015,838	1,695	3,017,533
Judicial	33,500	-	33,500
Public safety	100,960	18,240	119,200
Public works	-	69,965	69,965
Health and sanitation	4,741	-	4,741
Culture and recreation	-	137,485	137,485
Intergovernmental	-	8,839	8,839
Total expenditures	<u>3,155,039</u>	<u>236,224</u>	<u>3,391,263</u>
Excess (deficiency) of revenues over expenditures	<u>781,044</u>	<u>154,261</u>	<u>935,305</u>
Other Financing Sources (Uses):			
Operating transfers in	-	69,497	69,497
Operating transfers out	-	(69,497)	(69,497)
Sale of capital assets	23,600	100	23,700
Total other financing sources (uses)	<u>23,600</u>	<u>100</u>	<u>23,700</u>
Net change in fund balance	804,644	154,361	959,005
Fund Balance:			
Beginning of year	<u>(673,589)</u>	<u>774,468</u>	<u>100,879</u>
End of year	<u>\$ 131,055</u>	<u>\$ 928,829</u>	<u>\$ 1,059,884</u>

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

CITY OF CALIENTE, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balance - Governmental Funds	\$ 959,005
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities.	1,980,277
Generally, expenditures recognized in fund financial statements are limited to only those that use current financial resources, but expenses are recognized in the Statement of Activities when incurred.	1,022
Property taxes and grant revenues that are collected in the time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that related to prior periods that first become available in the current period should not be reported as revenue in the Statement of Activities.	(754,250)
Net differences between other post-employment benefits contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities:	
Other post-employment benefits contributions made after measurement date (2024 contributions).	1,368
Total other post-employment benefits income (expense).	325
Net differences between pension system contributions recognized in the fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities.	
Pension contributions made after measurement date (2024 contributions).	23,118
Net pension income (expense).	(15,456)
Change in Net Position of Governmental Activities	\$ 2,195,409

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

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For the year ended June 30, 2024

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes:				
Property taxes	\$ 176,577	\$ 176,577	\$ 162,688	\$ (13,889)
Licenses and Permits:				
Business licenses	6,000	6,000	16,098	10,098
City gaming licenses	1,400	1,400	2,618	1,218
Liquor licenses	4,000	4,000	6,777	2,777
Dog licenses	50	50	-	(50)
Total licenses and permits	11,450	11,450	25,493	14,043
Intergovernmental:				
County gaming tax	3,150	3,150	3,480	330
Grants	100,000	3,538,062	3,538,062	-
Consolidated tax	179,119	179,119	180,070	951
Total intergovernmental	282,269	3,720,331	3,721,612	1,281
Charges for Services:				
Cemetery fees	1,500	1,500	5,650	4,150
Miscellaneous:				
Investment income	1,000	1,000	16,984	15,984
Other	1,000	1,000	3,656	2,656
Total miscellaneous	2,000	2,000	20,640	18,640
Total revenues	473,796	3,911,858	3,936,083	24,225

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

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
Expenditures:				
Current:				
General Government:				
Mayor and City Council:				
Salaries and wages	\$ 9,600	\$ 9,600	\$ 9,600	\$ -
Employee benefits	607	607	3,128	(2,521)
Services and supplies	7,000	7,000	1,026	5,974
Total mayor and city council	17,207	17,207	13,754	3,453
City Hall General Administration:				
Salaries and wages	84,110	84,110	89,141	(5,031)
Employee benefits	37,957	37,957	36,357	1,600
Services and supplies	219,678	219,678	126,196	93,482
Total city hall general administration	341,745	341,745	251,694	90,051
Grant Administrator:				
Services and supplies	2,323	2,323	627	1,696
Capital outlay	-	3,438,062	2,748,813	689,249
Total Grant Administrator	2,323	3,440,385	2,749,440	690,945
Communications Tower:				
Services and supplies	-	-	950	(950)
Total general government	361,275	3,799,337	3,015,838	783,499
Judicial:				
City Attorney:				
Services and supplies	30,000	30,000	30,000	-
Municipal Court:				
Services and supplies	7,000	7,000	3,500	3,500
Total judicial	37,000	37,000	33,500	3,500
Public Safety:				
Police Department:				
Services and supplies	105,000	105,000	100,960	4,040

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

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures: (Continued)				
Current: (Continued)				
Health and Sanitation:				
Cemetery:				
Salaries and wages	\$ 766	\$ 766	\$ 3,289	\$ (2,523)
Employee benefits	476	476	1,354	(878)
Services and supplies	2,500	2,500	98	2,402
Total cemetery	3,742	3,742	4,741	(999)
Animal Control:				
Salaries and wages	131	131	-	131
Employee benefits	75	75	-	75
Services and supplies	500	500	-	500
Total animal control	706	706	-	706
Total health and sanitation	4,448	4,448	4,741	(293)
Contingency	15,187	15,187	-	15,187
Total expenditures	522,910	3,960,972	3,155,039	805,933
Excess (deficiency) of revenues over expenditures	(49,114)	(49,114)	781,044	830,158
Other Financing Sources (Uses):				
Operating transfers out	(20,000)	(20,000)	-	20,000
Sale of capital assets	-	-	23,600	23,600
Total other financing sources (uses)	(20,000)	(20,000)	23,600	43,600
Change in fund balance	(69,114)	(69,114)	804,644	873,758
Fund Balance:				
Beginning of year	124,246	124,246	(673,589)	(797,835)
End of year	\$ 55,132	\$ 55,132	\$ 131,055	\$ 75,923

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

CITY OF CALIENTE, NEVADA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
Page 1 of 2

	Major Water	Major Sewer	Major Electricity
Assets:			
Current Assets:			
Cash	\$ 383,277	\$ 9,059	\$ 526,486
Accounts receivable, net of allowance for uncollectible accounts (\$50,000)	19,520	20,135	131,323
Prepaid items	3,102	-	-
Total current assets	<u>405,899</u>	<u>29,194</u>	<u>657,809</u>
Restricted Assets:			
Cash	<u>22,333</u>	<u>128,472</u>	<u>12,749</u>
Capital Assets:			
Land	4,016	262,453	4,016
Water rights	195,745	-	-
Buildings	31,807	38,473	40,304
Machinery, equipment, and plant	3,084,274	4,509,192	2,284,546
Accumulated depreciation	<u>(2,974,415)</u>	<u>(3,379,391)</u>	<u>(1,806,207)</u>
Capital assets, net of accumulated depreciation	<u>341,427</u>	<u>1,430,727</u>	<u>522,659</u>
Intangible Assets:			
Lease assets	-	-	27,189
Accumulated amortization	-	-	<u>(15,023)</u>
Intangible assets, net of accumulated amortization	<u>-</u>	<u>-</u>	<u>12,166</u>
Total assets	<u>769,659</u>	<u>1,588,393</u>	<u>1,205,383</u>
Deferred Outflows of Resources:			
Pension charge	<u>\$ 45,307</u>	<u>\$ 36,279</u>	<u>\$ 31,343</u>

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

Non-Major Enterprise Funds	Total Enterprise Funds
-------------------------------	---------------------------

\$ 87,153	\$ 1,005,975
-----------	--------------

23,114	194,092
--------	---------

-	3,102
---	-------

110,267	1,203,169
---------	-----------

-	163,554
---	---------

4,016	274,501
-------	---------

-	195,745
---	---------

26,906	137,490
--------	---------

471,629	10,349,641
---------	------------

(326,377)	(8,486,390)
-----------	-------------

176,174	2,470,987
---------	-----------

-	27,189
---	--------

-	(15,023)
---	----------

-	12,166
---	--------

286,441	3,849,876
---------	-----------

\$ 71,185	\$ 184,114
-----------	------------

CITY OF CALIENTE, NEVADA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
Page 2 of 2

	Major Water	Major Sewer	Major Electricity
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 1,579	\$ 344	\$ 108,312
Accrued payroll	2,539	1,347	2,343
Accrued compensated absences	1,691	1,290	3,043
Accrued interest	54	3,563	-
Revenue bonds payable - current	6,612	50,836	-
Lease obligation - current	-	-	5,599
Total current liabilities	<u>12,475</u>	<u>57,380</u>	<u>119,297</u>
Current Liabilities Payable from Restricted Cash:			
Customer deposits	-	-	32,823
Non-current Liabilities:			
Accrued compensated absences	2,241	1,711	4,034
Revenue bond payable, net of current portion	213,267	611,894	-
Lease obligation, net of current portion	-	-	7,184
Net pension liability	<u>75,949</u>	<u>69,916</u>	<u>371,586</u>
Total non-current liabilities	<u>291,457</u>	<u>683,521</u>	<u>382,804</u>
Total liabilities	<u>303,932</u>	<u>740,901</u>	<u>534,924</u>
Deferred Inflows of Resources:			
Pension charge	<u>18,420</u>	<u>15,308</u>	<u>12,581</u>
Net Position:			
Net investment in capital assets	121,548	767,997	522,042
Restricted for capital improvements	5,965	18,277	-
Restricted for debt service	16,368	110,195	-
Unrestricted	<u>348,733</u>	<u>(28,006)</u>	<u>167,179</u>
Total net position	<u>\$ 492,614</u>	<u>\$ 868,463</u>	<u>\$ 689,221</u>

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

<u>Non-Major</u>		<u>Total</u>	
<u>Enterprise Funds</u>		<u>Enterprise Funds</u>	
\$	10,425	\$	120,660
	2,867		9,096
	1,987		8,011
	-		3,617
	-		57,448
	-		5,599
	<u>15,279</u>		<u>204,431</u>
	-		<u>32,823</u>
	2,634		10,620
	-		825,161
	-		7,184
	<u>74,477</u>		<u>591,928</u>
	<u>77,111</u>		<u>1,434,893</u>
	<u>92,390</u>		<u>1,672,147</u>
	<u>30,819</u>		<u>77,128</u>
	176,174		1,587,761
	-		24,242
	-		126,563
	<u>58,243</u>		<u>546,149</u>
\$	<u>234,417</u>	\$	<u>2,284,715</u>

CITY OF CALIENTE, NEVADA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Major Water	Major Sewer	Major Electricity
Operating Revenues:			
Charges for services	\$ 238,740	\$ 242,501	\$ 1,657,370
Operating Expenses:			
Salaries and wages	44,426	31,581	30,091
Employee benefits	24,757	18,032	20,388
Services and supplies	30,053	19,279	1,319,101
General administration	31,708	32,207	220,117
Bad debt expense	236	240	1,636
Depreciation	18,386	108,671	69,572
Amortization	-	-	5,438
Total operating expenses	149,566	210,010	1,666,343
Operating income (loss)	89,174	32,491	(8,973)
Non-Operating Revenues (Expenses):			
Investment income	28	655	143
Penalties	2,384	2,422	16,552
Grant	17,654	-	-
Debt surcharge	-	-	7,452
Gain (loss) on disposal of capital assets	4,823	4,823	21,824
Interest expense	(10,048)	(32,344)	(1,574)
Total non-operating revenues (expenses)	14,841	(24,444)	44,397
Change in net position	104,015	8,047	35,424
Net Position:			
Beginning of year	388,599	860,416	653,797
End of year	\$ 492,614	\$ 868,463	\$ 689,221

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

<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>
\$ 281,461	\$ 2,420,072
55,312	161,410
31,928	95,105
120,182	1,488,615
35,058	319,090
261	2,373
31,245	227,874
-	5,438
<u>273,986</u>	<u>2,299,905</u>
<u>7,475</u>	<u>120,167</u>
-	826
2,636	23,994
11,957	29,611
-	7,452
-	31,470
-	(43,966)
<u>14,593</u>	<u>49,387</u>
22,068	169,554
<u>212,349</u>	<u>2,115,161</u>
<u>\$ 234,417</u>	<u>\$ 2,284,715</u>

CITY OF CALIENTE, NEVADA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Major Water	Major Sewer	Major Electricity
Cash Flows From Operating Activities:			
Cash received from customers	\$ 236,602	\$ 242,010	\$ 1,591,201
Cash paid for salaries, wages and employee benefits	(82,239)	(62,430)	(132,393)
Cash paid for services and supplies	(57,047)	(48,031)	(1,476,585)
Net cash provided (used) by operating activities	97,316	131,549	(17,777)
Cash Flows From Non-Capital Financing Activities:			
Due to/from other funds	-	(41,245)	60,582
Cash Flows From Capital and Related Financing Activities:			
Debt surcharge	-	-	7,452
Grants	17,654	-	-
Penalties and miscellaneous	2,384	2,422	16,552
Principal paid on capital debt	(6,318)	(48,756)	(26,081)
Interest paid on capital debt	(10,050)	(32,747)	(1,574)
Purchase of intangible and capital assets	(17,654)	(6,987)	-
Proceeds from the sale of assets	4,823	4,823	21,824
Net cash provided (used) by capital and related financing activities	(9,161)	(81,245)	18,173
Cash Flows From Investing Activities:			
Investment income	28	655	143
Net increase (decrease) in cash and cash equivalents	88,183	9,714	61,121
Cash:			
Beginning of year	317,427	127,817	478,114
End of year	\$ 405,610	\$ 137,531	\$ 539,235
Provided by Operating Activities:			
Operating income (loss)	\$ 89,174	\$ 32,491	\$ (8,973)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and amortization	18,386	108,671	75,010
(Increase) decrease in prepaid items	(290)	-	1,789
(Increase) decrease in accounts receivable	(1,902)	(251)	(58,597)
(Increase) decrease in deferred outflows - pension charges	19,185	19,122	36,463
Increase (decrease) in accounts payable	(6,649)	(8,381)	(20,049)
Increase (decrease) in accrued payroll	1,170	157	(125)
Increase (decrease) in customer deposits	-	-	(5,936)
Increase (decrease) in accrued compensated absences	1,166	596	2,056
Increase (decrease) in net pension liability	(15,562)	(13,914)	(23,545)
Increase (decrease) in deferred inflows - pension charges	(7,362)	(6,942)	(15,870)
Total adjustments	8,142	99,058	(8,804)
Net cash provided (used) by operating activities	\$ 97,316	\$ 131,549	\$ (17,777)

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

Non-Major Enterprise Funds	Total Enterprise Funds
\$ 278,574	\$ 2,348,387
(99,815)	(376,877)
(150,400)	(1,732,063)
28,359	239,447
(19,337)	-
-	7,452
11,957	29,611
2,636	23,994
-	(81,155)
-	(44,371)
(15,322)	(39,963)
-	31,470
(729)	(72,962)
-	826
8,293	167,311
78,860	1,002,218
\$ 87,153	\$ 1,169,529
\$ 7,475	\$ 120,167
31,245	233,312
-	1,499
(2,626)	(63,376)
(36,821)	37,949
(8,044)	(43,123)
1,021	2,223
-	(5,936)
926	4,744
13,944	(39,077)
21,239	(8,935)
20,884	119,280
\$ 28,359	\$ 239,447

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For the year ended June 30, 2024

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

2. Description of Government-Wide Financial Statements

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

3. Basis of Presentation - Government-Wide Financial Statements

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

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

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Basis of Presentation - Fund Financial Statements

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

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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

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

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

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

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are then recognized as revenue. The government considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable, and the payment seems certain. In general, expenditures are recorded when liabilities are incurred. The exception to this rule is that principal and interest on debt service, as well as liabilities related to compensated absences and claims and judgments, are recorded when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Budgetary Basis of Accounting

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

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

a. Cash and Cash Equivalents

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

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

b. Investments

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

Nevada Revised Statutes authorize the City to invest in:

1. Obligations of the U.S. Treasury and U.S. Agencies in which the maturity dates do not exceed more than 10 years from the date of purchase.
2. Negotiable certificates of deposit issued by commercial banks or insured savings and loan associations (those over \$250,000 must be fully collateralized).
3. Negotiable notes or short-term negotiable bonds issued by local governments within Nevada.
4. Eligible bankers' acceptances that do not exceed 180 days maturity and do not exceed 20 percent of the portfolio.
5. Commercial paper with a rating of A-1 or P-1 that does not exceed 270 days maturity and does not exceed 25 percent of the portfolio.
6. The State of Nevada's Local Government Investment Pool.
7. Repurchase agreements that are collateralized at 102 percent of the repurchase price and do not exceed 90 days maturity. Securities used for collateral must meet the criteria listed above.
8. Money market mutual funds which are rated as "AAA" or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities.
9. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development or obligations publicly issued in the United States by a foreign financial entity registered with the Securities and Exchange Commission, denominated in dollars with a maturity of 5 years or less with a rating of "AA" or better.

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The proprietary type of fund reports inventory expense when consumed rather than when purchased. Proprietary fund type inventories are valued at cost using the first-in/first-out (FIFO) method.

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

d. Restricted Assets

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

e. Capital Assets

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

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

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

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

<u>Capital Assets</u>	<u>Years</u>
Vehicles	8
Equipment	5-20
Buildings and Improvements	20-50
Infrastructure	25-50
SBITA's and Intangible Lease Assets	3-5

f. Intangible Lease Assets

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the City's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Capitalization thresholds are the same threshold for capital assets noted above.

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

g. Subscription-Based Information Technology Arrangements (SBITAs)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) implementation established accounting and financial reporting for all SBITAs. SBITAs, which include software contracts, are reported in the governmental column in the government-wide financial statement. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contracts contain non-cancellable terms of 12 months or greater; OR non-cancellable terms of 12 months or less with the option to extend (regardless of the probability of being exercised). SBITAs are recorded at the net present value of subscription payments expected to be made during the subscription term, plus any payments made to the SBITA vendor before commencement of the subscription term and certain direct costs (less any incentives). A subscription asset should be amortized over the shorter of the subscription term or the useful life of the underlying IT asset. The City established its SBITA contract threshold at \$10,000 or greater per fiscal year. The City did not have any subscription-based IT arrangements that met the criteria to be reported in the financial statement.

h. Deferred Outflows/Inflows of Resources

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

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

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

i. Pensions

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

j. Other Post-Employment Benefits

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

k. Accrued Salaries and Benefits

City salaries earned but not paid by June 30, 2024, have been accrued as liabilities and are shown as expenditures for the year ending June 30, 2024.

l. Long-term Obligations

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

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

m. Governmental Fund Balances:

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

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

n. Fund Balance Flow Assumptions

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

o. Net Position Policies

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

1. **Net Investment in Capital Assets** - This is the component of net position that reports the difference between capital assets less both the accumulated amortization/depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted Assets** - This is the component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. Currently, the City restricts assets as follow:

a.	NRS 354.59815	Special Ad Valorem Capital Projects	\$ 51,303
b.	NRS 365.190	Road Improvements	\$ 91,463
c.	NRS 354.6113	Construction of Capital Projects	\$149,575
d.	NRS 176.059	Municipal Court Administrative Assessment	\$ 1,816
e.	NRS 354.598005(3)	Museum Operation	\$ 5,369
f.	City ordinance	Operations of the City Fire Department	\$ 20,053
g.	NRS 350.020	Debt Service	\$ 95,471
3. **Unrestricted** - This is the component of net position, that is the difference between the assets, deferred outflows/inflows and liabilities not reported in net investment in capital assets and restricted assets.

p. Net Position Flow Assumption

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

q. Comparative Data/Reclassifications

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

r. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

s. New Accounting Pronouncement

There were no new accounting pronouncements.

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Revenues and Expenditures/Expenses

a. Property Tax

Taxes on real property are levied on July 1st of each year and are due on the third Monday in July. They can be paid in quarterly installments in August, October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at a rate of 10 percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

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

b. Compensated Absences

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

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as a payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements (see Note D6).

c. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

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

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

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

Compensated absences	<u>\$ (1,940)</u>
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2. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

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

Capital outlay	\$ 2,774,878
Depreciation expense	<u>(794,601)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,980,277</u>

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

Compensated absences	<u>\$ 1,022</u>
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CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE C. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. Compliance and Accountability

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

Nevada Revised Statutes chapter 354.626 requires the City to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. Enterprise funds may not exceed budget appropriations at the fund level. As of June 30, 2024, the City had the following funds with expenditures over appropriations:

General Fund – Health and Sanitation Function	\$ 293
Heritage Museum Board Special Revenue Fund – Culture and Recreation Function	\$ 4,688
Tree Board Special Revenue Fund – Culture and Recreation Function	\$ 497
Mosquito Enterprise Fund	\$ 7,372

The City will work to monitor budgets and ensure compliance with budget.

NOTE D. DETAILED NOTES ON ALL FUNDS

1. Pooled Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2024, this pool is displayed by the Statement of Net Position and major and other governmental funds on the governmental funds Balance Sheet as “Pooled Cash.”

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

Carrying amount of deposits	<u>\$ 2,672,399</u>
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A reconciliation of cash for the City is as follows:

Government-wide pooled cash	\$ 2,508,845
Restricted cash	<u>163,554</u>
Total	<u>\$ 2,672,399</u>

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

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

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

1. Pooled Cash and Investments (Continued)

Cash and investment are subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from the rise in interest rates. Nevada Revised Statutes limits bankers' acceptances to 180 days of maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturity. As of June 30, 2024, all investments are deemed liquid.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The Nevada Revised Statutes limits investment instruments by their credit risk (see Note A7b).

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank or brokerage failure, the City's deposits may not be returned. The City's bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool. At year-end, the City's carrying amount of deposits was \$2,672,399 and the bank balance was \$3,067,342. Of the bank balance, \$254,186 was covered by federal depository insurance. Of the remaining balance, \$2,813,156 was collateralized with securities held by the Nevada Pooled Collateral Program.

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

2. Receivables

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

	Enterprise Funds							
	Major Fund	Nonmajor						
	General	Other	Major Fund	Major Fund	Major Fund	Major Fund	Nonmajor	
	Fund	Governmental	Water	Sewer	Electricity	Waste	Other	
	Fund	Funds	Fund	Fund	Fund	Collection	Enterprise	Totals
						Fund	Funds	
Taxes receivable	\$ 14,477	\$ 8,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,338
Accounts receivable, (net)	-	11,700	19,520	20,135	131,323	21,810	1,304	205,792
Due from others	-	7,546	-	-	-	-	-	7,546
Due from other governments:								
Fuel taxes	-	16,386	-	-	-	-	-	16,386
Consolidated taxes	31,331	-	-	-	-	-	-	31,331
Grant revenue	398,920	-	-	-	-	-	-	398,920
Property taxes	1,585	-	-	-	-	-	-	1,585
Net total receivables	\$ 446,313	\$ 44,493	\$ 19,520	\$ 20,135	\$ 131,323	\$ 21,810	\$ 1,304	\$ 684,898

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Governmental Activities:	Balance			Balance
	June 30, 2023	Additions	Deletions	June 30, 2024
Capital assets not being depreciated:				
Land	\$ 205,049	\$ -	\$ -	\$ 205,049
Construction in progress	1,262,876	2,748,813	-	4,011,689
Total capital assets not being depreciated	1,467,925	2,748,813	-	4,216,738
Capital assets being depreciated:				
Building	687,604	-	-	687,604
Improvements	14,478,658	24,000	-	14,502,658
Equipment	3,932,843	2,065	-	3,934,908
Infrastructure	518,903	-	-	518,903
Total capital assets being depreciated	19,618,008	26,065	-	19,644,073
Less accumulated depreciation for:				
Building	353,484	9,580	-	363,064
Improvements	8,877,254	700,417	-	9,577,671
Equipment	3,663,946	74,226	-	3,738,172
Infrastructure	111,581	10,378	-	121,959
Total accumulated depreciation	13,006,265	794,601	-	13,800,866
Total capital assets being depreciated, net	6,611,743	(768,536)	-	5,843,207
Governmental activities, net	\$ 8,079,668	\$ 1,980,277	\$ -	\$ 10,059,945

Construction in progress relates to the Caliente Depot Rehabilitation Project. As of June 30, 2024 the project was in the construction phase.

Equipment included fire equipment, curb and gutter improvements, and museum improvement.

Construction Commitments. The City had the following active construction commitments as of June 30, 2024.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Commitment</u>
Depot rehabilitation – Spectra contract	<u>\$ 3,780,759</u>	<u>\$ 4,065,943</u>

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets (Continued)

Business-Type Activities:	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 274,501	\$ -	\$ -	\$ 274,501
Water rights	195,745	-	-	195,745
Total capital assets not being depreciated	470,246	-	-	470,246
Capital assets being depreciated:				
Water	3,098,427	17,654	-	3,116,081
Sewer	4,540,678	6,987	-	4,547,665
Garbage	476,990	15,322	-	492,312
Mosquito	6,223	-	-	6,223
Electricity	2,324,850	-	-	2,324,850
Total capital assets being depreciated	10,447,168	39,963	-	10,487,131
Less accumulated depreciation for:				
Water	2,956,029	18,386	-	2,974,415
Sewer	3,270,720	108,671	-	3,379,391
Garbage	293,265	30,623	-	323,888
Mosquito	1,867	622	-	2,489
Electricity	1,736,635	69,572	-	1,806,207
Total accumulated depreciation	8,258,516	227,874	-	8,486,390
Total capital assets being depreciated, net	2,188,652	(187,911)	-	2,000,741
Business-type activities, net	\$ 2,658,898	\$ (187,911)	\$ -	\$ 2,470,987

Equipment included a work truck, water and sewer meters and garbage bins.

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

Governmental activities:	
General government	\$ 36,594
Public safety	52,283
Public works	114,888
Judicial	267
Culture and recreation	590,569
	<u>\$ 794,601</u>
Business activities:	
Water	\$ 18,386
Sewer	108,671
Garbage	30,623
Mosquito	622
Electricity	69,572
	<u>\$ 227,874</u>

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets (Continued)

Intangible asset activity for the year ended June 30, 2024, was as follows:

Business-Type Activities:	Balance			Balance
	June 30, 2023	Additions	Deletions	June 30, 2024
Intangible assets	\$ 27,189	\$ -	\$ -	\$ 27,189
Less accumulated amortization	9,585	5,438	-	15,023
Business-type activities intangible assets, net	\$ 17,604	\$ (5,438)	\$ -	\$ 12,166

Amortization expense of \$5,438 was charged to the electricity enterprise fund.

4. Accrued Liabilities

Accrued liabilities reported in the Government-wide financial statements at June 30, 2024, were as follows:

Fund	Accrued	Compensated	Meter	
	Payroll	Absences	Deposits	Totals
Governmental	\$ 26,219	\$ 1,940	\$ 0	\$ 28,159
Business-type	9,096	18,631	32,823	60,550
Total Accrued Liabilities	\$ 35,315	\$ 20,571	\$ 32,823	\$ 88,709

5. Restricted Assets

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

Cash – customer deposits	\$ 12,749
1993 – Sewer Revenue Bond	4,680
1993 – Sewer Revenue Bond Reserve	56,877
1999 – Sewer Revenue Bond	26,822
1999 – Sewer Revenue Bond Reserve	26,761
2003 – Sewer Revenue Bond Reserve	13,332
2005 – Water Revenue Bond Reserve	22,333
Total restricted assets	\$ 163,554

6. Long-term Debt

Business-Type Activities:

- a. Revenue Bonds** The City issues revenue bonds to provide funds for the acquisition and construction of utility capital assets. Revenue bonds have been issued for the business-type activities. Revenue bonds are an obligation of the enterprise utility funds for which the capital assets were acquired or constructed. Revenue bonds outstanding at June 30, 2024, are as follows:

Purpose	Interest	Amount
1993 Sewer Revenue Bond	5.00%	\$318,528
1999 Sewer Revenue Bond	4.50%	262,469
2003 Sewer Revenue Bond	4.25%	81,733
2005 Water Revenue Bond	4.50%	219,879
		\$882,609

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

a. Revenue Bonds (Continued)

1993 Sewer Revenue Bonds: The 1993 Sewer Revenue Bond is payable to the Farmers Home Administration. The 1993 bond agreement requires the City to establish a Sewer Revenue Bond account in which the City must deposit an amount sufficient to pay the next maturing installment of principal and interest on the outstanding Bond. The deposit requirement is \$4,233. The balance in this account was \$4,680 at June 30, 2024. The agreement also requires the City to establish a Sewer Revenue Bond Reserve Fund in which the City must deposit on a monthly basis an amount equal to one hundred twentieth of the average annual loan installment until the average annual loan installment has been accumulated. The monthly deposit is \$422 and the average annual loan installment is \$50,796. The balance in this account at June 30, 2024, was \$56,877.

The balance at June 30, 2024, is \$318,528. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 35,351	\$ 15,445
2026	37,159	13,637
2027	39,061	11,735
2028	41,059	9,737
2029	43,160	7,636
2030-2032	122,738	9,272
	<u>\$318,528</u>	<u>\$ 67,462</u>

1999 Sewer Revenue Bonds: The 1999 Sewer Revenue Bond is payable to the Farmers Home Administration. The 1999 bond agreement requires the City to establish a Sewer Revenue Bond Account in which the City must deposit an amount sufficient to pay the next maturing installment of principal and interest. The deposit requirement is \$24,458. The balance in the account was \$26,822 at June 30, 2024. The agreement also requires the City to establish a Sewer Revenue Bond Reserve Account in which the City must deposit on an annual basis a deposit equal to one tenth of the average annual payment of principal and interest until the average annual payment of principal and interest has been accumulated. The average annual loan installment is \$24,458. The balance in the account was \$26,761 at June 30, 2024. These reserve accounts can only be used to pay for emergency maintenance of facilities, loan installments, extensions to facilities, and short-lived assets.

The balance at June 30, 2024, is \$262,469. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 12,647	\$ 11,811
2026	13,216	11,242
2027	13,811	10,647
2028	14,432	10,026
2029	15,082	9,376
2030-2034	86,220	36,070
2035-2039	107,061	14,844
	<u>\$262,469</u>	<u>\$104,016</u>

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

a. Revenue Bonds (Continued)

2003 Sewer Bond: The Sewer revenue bond is payable to the U.S. Department of Agriculture. The bond is payable in monthly payments of \$520.80 including interest at 4.25%. The bond covenants require the City to accumulate an amount equal to one annual installment of principal and interest to be used only for loan installments. The deposit requirement would be \$6,250; the balance in the account was \$13,332 at June 30, 2024.

The balance at June 30, 2024, is \$81,733. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,838	\$ 3,412
2026	2,960	3,290
2027	3,089	3,161
2028	3,222	3,028
2029	3,362	2,888
2030-2034	19,125	12,125
2035-2039	23,644	7,606
2040-2044	23,493	2,122
	<u>\$ 81,733</u>	<u>\$ 37,632</u>

2005 Water Revenue Bond: The Caliente Water revenue bond is payable to the U.S. Department of Agriculture. Payments are due in monthly installments of \$1,364 including interest. The bond matures in 2045 at an interest rate of 4.5%. The bond covenants require the City to accumulate an amount equal to one annual installment of principal and interest to be used only for loan installments. The deposit requirement to date would be \$16,368. The balance in the account was \$22,333 at June 30, 2024.

The balance at June 30, 2024, is \$219,879. Annual debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 6,612	\$ 9,756
2026	6,915	9,453
2027	7,233	9,135
2028	7,565	8,803
2029	7,913	8,455
2030-2034	45,364	36,476
2035-2039	56,786	25,054
2040-2044	71,084	10,756
2045	10,407	170
	<u>\$219,879</u>	<u>\$118,058</u>

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

b. Note Payable

Business-Type Activities:

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

c. Lease Obligation

The City leases a copier with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. At the end of the lease, the City has an option to purchase the copier but will likely enter into a new lease for equipment. The copier has a five-year estimated useful life. This year, \$6,968 is included in accumulated amortization.

The future minimum lease obligations as of June 30, 2024, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,989	\$ 64
2026	<u>510</u>	<u>3</u>
	<u>\$ 2,499</u>	<u>\$ 67</u>

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

c. Lease Obligation (Continued)

The City leases postage equipment with a lease term of 60 months with varying monthly payments with an imputed interest rate of 4.0%. At the end of the lease, the City has an option to purchase the equipment but will likely enter into a new lease for equipment. The postage equipment has a five-year estimated useful life. This year, \$8,055 is included in accumulated amortization.

The future minimum lease obligations as of June 30, 2024, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,610	\$ 346
2026	3,757	199
2027	2,917	48
	<u>\$ 10,284</u>	<u>\$ 593</u>

Changes in Long-term Debt: During the year ended June 30, 2024, the following changes occurred in long-term debt:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due within</u> <u>one year</u>
Governmental Activities:					
Compensated Absences	\$ 2,962	\$ -	\$ 1,022	\$ 1,940	\$ 770
Total OPEB Liability	21,606	-	1,693	19,913	-
Net Pension Liability	212,315	-	14,942	197,373	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 236,883</u>	<u>\$ -</u>	<u>\$ 17,657</u>	<u>\$ 219,226</u>	<u>\$ 770</u>
	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due within</u> <u>one year</u>
Business-Type Activities:					
Revenue Bonds	\$ 937,683	\$ -	\$ 55,074	\$ 882,609	\$ 57,448
Notes Payable From Direct Borrowing	20,700	-	20,700	-	-
Lease Obligations	18,164	-	5,381	12,783	5,599
Compensated Absences	13,887	4,744	-	18,631	8,011
Net Pension Liability	631,005	-	39,077	591,928	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 1,621,439</u>	<u>\$ 4,744</u>	<u>\$ 120,232</u>	<u>\$ 1,505,951</u>	<u>\$ 71,058</u>

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE D. DETAILED NOTES ON ALL FUNDS (Continued)

6. Long-term Debt (Continued)

Per Nevada Revised Statute Chapter 266.600(4), the debt limitation for the City is equal to 20 percent of the assessed valuation of property, excluding motor vehicles for the current year. The debt limitation currently applicable at June 30, 2024, was \$4,032,208. This does not include revenue bonds, which are exempt from this statute.

7. Interfund Transfers

Interfund operating transfers are made from one fund to another fund to support expenditures in accordance with the authority established for the funds. Transfers between fund types during the year ended June 30, 2024, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
	<u>Other Governmental Funds</u>	
Nonmajor Special Revenue Funds	\$ 69,497	\$ 69,497

The Room Tax Fund transferred \$60,000 to the Parks and Recreation Fund and \$9,200 to the Museum Fund. The Parks and Recreation Fund transferred \$297 to the Tree Board Fund. The transfers were made to help fund current year activities.

8. Unavailable Revenue

Delinquent taxes receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. At June 30, 2024, the City had \$13,846 of unavailable revenue in the General Fund.

Grant receivable not collected within sixty days after year-end are recorded as deferred inflows of resources as they are not available to pay liabilities of the current period. At June 30, 2024, the City had \$0 of unavailable revenue.

9. Unearned Revenue

Governmental funds report unearned revenue in connection with the resources that have been received but not yet earned. At June 30, 2024, the City had unearned revenue of \$357,467 in the General Fund related to unspent grant revenue.

10. Due to / Due from Other Funds

There were no interfund balances.

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION

1. Risk Management

Property, Casualty, Crime, and Machinery Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other local governments throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (NPAIP) is a public entity risk pool currently operating as a common risk management and insurance program for members. The City pays an annual premium and specific deductibles, as necessary, to NPAIP for its general insurance coverage. NPAIP is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime, and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities. As a participatory member, the maintenance deductible is \$500 for each insured event.

The City has additional coverage of \$3,000,000 per incident for cyber security events with various sub-limits established for security failure, network interruption and proof of loss. As a participatory member, there is no maintenance deductible for each insured event. The City has additional coverage of \$2,000,000 per incident for site pollution legal liabilities with a \$10,000,000 policy aggregate. As a participatory member, the maintenance deductible is \$25,000 for each incident.

The City has also joined together with similar public agencies creating a pool under the Nevada Interlocal Cooperation Act for workers' compensation insurance. The Public Agency Compensation Trust (PACT) is an intergovernmental self-insurance association for workers' compensation insurance. The City pays premiums based upon payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based upon the statutory limit of \$2,000,000.

The City is self-insured for unemployment claims. Payments are made from the General Fund to cover claims.

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

2. Contingent Liabilities

Litigation – In the ordinary course of its operations, claims may be filed against the City. It is the opinion of management that these claims will not have any material adverse effect on the City's financial position, results of operation, or cash flows. The City does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when services are rendered.

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan

Plan Description. All half time and greater City employees are provided pension benefits through the Public Employees' Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer, defined benefit plan administered by the Public Employees' Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. NRS Chapter 286 establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees' Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS that can be obtained at <http://www.nvpers.org/publications/report>.

Benefits Provided. Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Vested members are entitled to a life-time monthly retirement benefit equal to the service time multiplier (STM) percentages listed below times the member's years of service to a maximum of 33 and 1/3 years.

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

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

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

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

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

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

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Contributions: Benefits for plan members are funded under the employer pay contribution plan. The City is legally required to contribute all amounts due under the plan. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The City's required contribution rates for the year ending June 30, 2023, were 44.00% for police and fire members; 29.75% for regular members; and 15.50% for employer/employee match. The City's required contribution rates for the year ending June 30, 2024, were 50.00% for police and fire members; 33.50% for regular members; and 17.50% for employer/employee match. The City has fully funded the amounts due for the years ending June 30, 2023 and June 30, 2024.

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

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

At June 30, 2024, the City reported a liability of \$789,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2023. The City's proportionate share of the net pension liability decreased from 0.00467 percent measured at June 30, 2022, to 0.00432 percent measured at June 30, 2023.

For the year ended June 30, 2024, the City recognized net pension expense of \$47,038. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 102,881	\$ 0
Net difference between projected and actual earnings on pension plan investments	0	7,388
Changes of assumptions or other inputs	73,973	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,336	107,485
City Contributions subsequent to measurement date	64,763	0
Total	<u>\$ 276,953</u>	<u>\$ 114,873</u>

Average expected remaining service lives 5.63 years.

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

\$64,763 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (19,374)
2026	5,975
2027	105,240
2028	8,473
2029	(2,997)
	<u>\$ 97,317</u>

Actuarial Assumptions: The System's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Payroll Growth	Regular: 3.50%
	Police/Fire: 3.50%
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Productivity pay increase	0.50%
Projected Salary increases	Regular: 4.20% to 9.10%, depending on service
	Police/Fire: 4.60% to 14.50%, depending on service
	Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2023 funding actuarial valuation

Mortality rates were based on the following:

Healthy: **Regular Members:** Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional monthly improvement scale MP-2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Healthy: (Continued)

Police/Fire Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above-listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. *

Disabled:

Regular Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 30% for males and 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Beneficiaries:

Regular and Police/Fire Current Beneficiaries in Pay Status: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

The above listed mortality table only provides rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub 2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. *

Regular and Police/Fire Contingent Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP- 2020.

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount -Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates.*

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Mortality rates were based on the following (Continued):

Beneficiaries: (Continued) For the mortality table applicable to contingent beneficiaries, "Approach 1" from the Society of Actuaries "Pub-2010 Public Retirement Plans Mortality Tables Report" was utilized. In particular, the mortality basis for contingent beneficiaries has been assumed to be the same mortality basis as the Healthy Regular retiree table listed above (except using rates applicable to the beneficiary's gender) for both when the primary retiree is alive and is no longer alive.

The Pub-2010 Amount-Weighted Mortality Tables (with loading factors as described above) reasonably reflect the projected mortality experience of the Plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

Pre-Retirement

Regular Members: Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

Police/Fire Members: Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table separate tables for males and females). Projected generationally with the two-dimensional mortality improvement scale MP-2020.

* This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of the experience study for the period of July 1, 2016 through June 30, 2020.

Investment Policy: The System's policies which determine the investment portfolio target asset allocation are established by the Public Employees' Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the Board adopted policy target asset allocation as of June 30, 2023:

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

*As of June 30, 2023, PERS' long-term inflation assumption was 2.50%

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

3. Defined Benefit Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employer and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

Sensitivity of the City's proportionate share of the net pension liability to change in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent higher or lower than the current rate.

	1.0% Decrease (6.25%)	Discount Rate (7.25%)	1.0% Increase (8.25%)
City's proportionate share of the net pension liability	\$ 1,227,061	\$ 789,301	\$ 426,605

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website <http://www.nvpers.org/>.

Pension contributions payable. At June 30, 2024, the City reported payables to the defined benefit pension plan of \$6,428 for legally required employer contributions which had not yet been remitted to PERS.

4. Post-Employment Healthcare Plan

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

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

Employees covered by benefit terms. As of the June 30, 2023 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>0</u>
	<u>8</u>

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

4. Post-Employment Healthcare Plan (Continued)

Public Employees' Benefit Plan (PEBP): NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired city employees. As noted above, the City policy is to only fund retirees who retired prior to July 1, 2009. Plan members receiving benefits have their monthly contributions deducted from their pension checks based on the health plan chosen by the retiree as reduced by the amount of the subsidy. Effective July 2015, the subsidy provided to pre-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The chart below shows our understanding of monthly amounts payable beginning July 2024 for those with 15 years of PERS service.

Coverage Level	PPO	PPO Low	Statewide
	CDHP	Deductible	EPO/HMO
	Base Subsidy	Base Subsidy	Base Subsidy
	15 Years of Service		
Retiree Only	\$ 718.74	\$ 745.98	\$ 658.60
Retiree + Spouse	1,317.51	1,371.98	1,197.22
Retiree + Child(ren)	943.29	980.74	860.58
Retiree + Family	1,542.05	1,606.74	1,399.20

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

For fiscal year 2024, the City contributed \$1,368 to the plan for current premiums. The City did not prefund any future benefits.

Important Dates used in the Valuation:

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2023
Measurement Period:	June 30, 2022 to June 30, 2023
Fiscal Year End:	June 30, 2024

Significant Results and Differences from the Prior Valuation:

Benefit Changes: None

Changes in Assumptions:

Discount Rate Changed from 4.09% on measurement date June 30, 2022, to 4.13% on measurement date June 30, 2023, based on the published change in return for the applicable municipal bond index.

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

4. Post-Employment Healthcare Plan (Continued)

Total Other Post-Employment Benefits (OPEB) Liability

The City's OPEB liability of \$19,913 was measured as of June 30, 2023 and determined by actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

	<u>PEBP</u>
Inflation rate	2.50%
Salary increase	Not applicable; there are no active employees in this plan.
Discount rate	Current year – 4.13% Prior year – 4.09%
Healthcare Cost Trend Rates	4.50% for all years.
Retirees' share of benefit-related costs	0%

The discount rate was based on the S & P General Obligation Municipal Bond 20-year High Grade Index. Mortality rates were based on the Nevada Public Employees' Retirement System's 2021 Study with adjustments for mortality improvements based on the MacLeod Watts Scale 2022 generationally.

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period of June 30, 2022 to June 30, 2023.

Changes in the Total OPEB Liability

	<u>PEBP</u>
Service cost	\$ 0
Interest	856
Changes of benefit terms	0
Differences between expected and actual experience	(1,110)
Changes in assumptions or other inputs	(71)
Benefit payments	<u>(1,368)</u>
Net changes	(1,693)
Total Net OPEB obligation - beginning of the year	21,606
Total Net OPEB obligation - end of year	<u>\$ 19,913</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.09% as of June 30, 2022, to 4.13% as of June 30, 2023.

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

	<u>1.0% Decrease (3.13%)</u>	<u>Discount Rate (4.13%)</u>	<u>1.0% Increase (5.13%)</u>
PEBP	\$ 21,819	\$ 19,913	\$ 18,260

CITY OF CALIENTE, NEVADA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

NOTE E. OTHER INFORMATION (Continued)

4. Post-Employment Healthcare Plan (Continued)

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

	<u>1.0% Decrease</u>	<u>Discount Rate</u>	<u>1.0% Increase</u>
PEBP	\$ 18,338	\$ 19,913	\$ 21,689

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

For the year ended June 30, 2024, the City recognized OPEB income of \$325. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

\$1,368 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. There were no other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB to be recognized as OPEB expense.

5. Subscription-Based Information Technology Arrangements (SBITAs)

GASB Statement No. 96, *SBITAs*, required software arrangements to be recognized and measured. There were no software arrangements in scope for SBITAs; however future payments are variable based on usage or number of licenses. Therefore, the City is unable to record an SBITAs asset/liability.

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For the year ended June 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CALIENTE, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER POST EMPLOYMENT
BENEFITS LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2024

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Total OPEB Liability			
Service cost	\$ -	\$ -	\$ -
Interest	856	570	755
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,110)	-	(1,302)
Changes of assumptions or other inputs	(71)	(4,447)	(309)
Benefit Payments	<u>(1,368)</u>	<u>(1,368)</u>	<u>(1,368)</u>
Net Change in total OPEB liability	<u>(1,693)</u>	<u>(5,245)</u>	<u>(2,224)</u>
Total OPEB liability - beginning	<u>21,606</u>	<u>26,851</u>	<u>29,075</u>
Total OPEB liability - ending	<u>\$ 19,913</u>	<u>\$ 21,606</u>	<u>\$ 26,851</u>
Covered-employee payroll	\$ -	\$ -	\$ -
 Total OPEB liability as a percentage of covered- employee payroll	 0.00%	 0.00%	 0.00%

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

6/30/2024	4.13
6/30/2023	4.09
6/30/2022	2.18
6/30/2021	2.66
6/30/2020	2.79
6/30/2019	2.98
6/30/2018	3.13
6/30/2017	2.68

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

See accompanying notes to the required supplementary information.

<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
\$ -	\$ -	\$ -	\$ -
855	4,560	4,663	5,212
-	-	-	-
-	11,178	-	-
440	(128,667)	10,609	(3,417)
(5,746)	(13,109)	(12,168)	(11,846)
(4,451)	(126,038)	3,104	(10,051)
33,526	159,564	156,460	166,511
<u>\$ 29,075</u>	<u>\$ 33,526</u>	<u>\$ 159,564</u>	<u>\$ 156,460</u>
\$ -	\$ -	\$ -	\$ -
0.00%	0.00%	0.00%	0.00%

CITY OF CALIENTE, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS TO THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST TEN YEARS
YEAR ENDED JUNE 30, 2024

Year Ended June 30	Contractually Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 103,718	\$ 103,718	\$ -	\$ 405,212	25.60%
2016	116,151	116,151	-	414,825	28.00%
2017	121,534	121,534	-	434,050	28.00%
2018	60,939	60,939	-	435,279	14.00%
2019	46,584	46,584	-	332,743	14.00%
2020	44,301	44,301	-	302,913	14.62%
2021	50,130	50,130	-	351,229	14.27%
2022	57,718	57,718	-	384,206	15.02%
2023	49,842	49,842	-	326,350	15.27%
2024	64,763	64,763	-	374,050	17.31%

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

See accompanying notes to the required supplementary information.

CITY OF CALIENTE, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF NEVADA
LAST TEN YEARS
YEAR ENDED JUNE 30, 2024

Reporting Year Ended June 30:	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered- employee payroll	City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.00672%	\$ 700,711	\$ 402,979	173.88%	76.31%
2016	0.00671%	769,441	405,212	189.89%	75.10%
2017	0.00684%	919,902	414,825	221.76%	72.20%
2018	0.00667%	887,360	434,050	204.44%	74.40%
2019	0.00643%	876,670	435,279	201.40%	75.20%
2020	0.00481%	655,576	332,743	197.02%	76.50%
2021	0.00422%	587,553	302,913	193.97%	77.00%
2022	0.00437%	398,119	351,229	113.35%	86.50%
2023	0.00467%	843,320	384,206	219.50%	75.10%
2024	0.00432%	789,301	326,350	241.86%	76.20%

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

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For the year ended June 30, 2024

CITY OF CALIENTE, NEVADA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

Note 1 – Net Pension Liability

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

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

Note 2 – Other Post-Employment Benefits Liability

Trust fund No assets are accumulated in a trust that meets the criteria in GASB No. 75 to pay related benefits.

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

Changes in assumptions:

Discount Rate Changed from 4.09% measured on June 30, 2022, to 4.13% measured on June 30, 2023, based on the published change in return for the applicable municipal bond index.

SUPPLEMENTARY INFORMATION

MAJOR FUND

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 606,169	\$ 973,154
Taxes receivable	14,477	3,016
Due from other governments	431,836	1,172,657
Prepaid items	2,024	-
Due from other funds	<u>-</u>	<u>5,489</u>
 Total assets	 <u>\$ 1,054,506</u>	 <u>\$ 2,154,316</u>
Liabilities:		
Accounts payable	\$ 530,363	\$ 1,198,187
Accrued payroll	21,775	34,245
Unearned revenue	<u>357,467</u>	<u>827,377</u>
 Total liabilities	 <u>909,605</u>	 <u>2,059,809</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	13,846	1,801
Unavailable revenue - grant revenue	<u>-</u>	<u>766,295</u>
 Total deferred inflows of resources	 <u>13,846</u>	 <u>768,096</u>
Fund Balance:		
Nonspendable	2,024	-
Assigned for subsequent year	86,338	-
Unassigned	<u>42,693</u>	<u>(673,589)</u>
 Total fund balance	 <u>131,055</u>	 <u>(673,589)</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 1,054,506</u>	 <u>\$ 2,154,316</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes	\$ 176,577	\$ 162,688	\$ (13,889)	\$ 166,131
Licenses and permits	11,450	25,493	14,043	11,737
Intergovernmental	3,720,331	3,721,612	1,281	727,388
Charges for services	1,500	5,650	4,150	2,425
Miscellaneous	2,000	20,640	18,640	10,122
Total revenues	<u>3,911,858</u>	<u>3,936,083</u>	<u>24,225</u>	<u>917,803</u>
Expenditures:				
General government	3,799,337	3,015,838	783,499	1,498,653
Judicial	37,000	33,500	3,500	33,500
Public safety	105,000	100,960	4,040	175,480
Health and sanitation	4,448	4,741	(293)	1,588
Contingency	15,187	-	15,187	-
Total expenditures	<u>3,960,972</u>	<u>3,155,039</u>	<u>805,933</u>	<u>1,709,221</u>
Excess (deficiency) of revenues over expenditures	<u>(49,114)</u>	<u>781,044</u>	<u>830,158</u>	<u>(791,418)</u>
Other Financing Sources (Uses):				
Operating transfers out	(20,000)	-	20,000	-
Sale of capital assets	-	23,600	23,600	-
Total other financing sources (uses)	<u>(20,000)</u>	<u>23,600</u>	<u>43,600</u>	<u>-</u>
Net change in fund balance	(69,114)	804,644	873,758	(791,418)
Fund Balance:				
Beginning of year	<u>124,246</u>	<u>(673,589)</u>	<u>(797,835)</u>	<u>117,829</u>
End of year	<u>\$ 55,132</u>	<u>\$ 131,055</u>	<u>\$ 75,923</u>	<u>\$ (673,589)</u>

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For the year ended June 30, 2024

GENERAL FUND
MAJOR FUND - GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 176,577	\$ 162,688	\$ (13,889)	\$ 166,131
Licenses and Permits:				
Business licenses	6,000	16,098	10,098	8,167
City gaming licenses	1,400	2,618	1,218	1,260
Liquor licenses	4,000	6,777	2,777	2,300
Dog licenses	50	-	(50)	10
Total licenses and permits	11,450	25,493	14,043	11,737
Intergovernmental:				
County gaming tax	3,150	3,480	330	4,200
Grants	3,538,062	3,538,062	-	546,050
Cannabis fees	-	-	-	1,133
Consolidated tax	179,119	180,070	951	176,005
Total intergovernmental	3,720,331	3,721,612	1,281	727,388
Charges for Services:				
Cemetery fees	1,500	5,650	4,150	2,425
Miscellaneous:				
Investment income	1,000	16,984	15,984	3,064
Rent	-	-	-	5,112
Donations	-	-	-	300
Other	1,000	3,656	2,656	1,646
Total miscellaneous	2,000	20,640	18,640	10,122
Total revenues	\$ 3,911,858	\$ 3,936,083	\$ 24,225	\$ 917,803

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	
	Budget	Actual	Positive (Negative)	2023 Actual
Expenditures:				
Current:				
General Government:				
Mayor and City Council:				
Salaries and wages	\$ 9,600	\$ 9,600	\$ -	\$ 9,200
Employee benefits	607	3,128	(2,521)	488
Services and supplies	7,000	1,026	5,974	7,707
Total Mayor and City Council	<u>17,207</u>	<u>13,754</u>	<u>3,453</u>	<u>17,395</u>
City Hall General Administration:				
Salaries and wages	84,110	89,141	(5,031)	76,737
Employee benefits	37,957	36,357	1,600	26,821
Services and supplies	219,678	126,196	93,482	189,514
Capital outlay	-	-	-	6,322
Total City Hall General Administration	<u>341,745</u>	<u>251,694</u>	<u>90,051</u>	<u>299,394</u>
Grant Administrator:				
Services and supplies	2,323	627	1,696	53,876
Capital outlay	3,438,062	2,748,813	689,249	1,126,623
Total Grant Administrator	<u>3,440,385</u>	<u>2,749,440</u>	<u>690,945</u>	<u>1,180,499</u>
Communications Tower:				
Services and supplies	-	950	(950)	1,365
Total general government	<u>3,799,337</u>	<u>3,015,838</u>	<u>783,499</u>	<u>1,498,653</u>
Judicial:				
City Attorney:				
Services and supplies	30,000	30,000	-	30,000
Municipal Court:				
Services and supplies	7,000	3,500	3,500	3,500
Total judicial	<u>37,000</u>	<u>33,500</u>	<u>3,500</u>	<u>33,500</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	
	Budget	Actual	Positive (Negative)	2023 Actual
Expenditures: (Continued)				
Current: (Continued)				
Public Safety:				
Police Department:				
Services and supplies	\$ 105,000	\$ 100,960	\$ 4,040	\$ 175,480
Health and Sanitation:				
Cemetery:				
Salaries and wages	766	3,289	(2,523)	940
Employee benefits	476	1,354	(878)	432
Services and supplies	2,500	98	2,402	138
Total cemetery	3,742	4,741	(999)	1,510
Animal Control:				
Salaries and wages	131	-	131	-
Employee benefits	75	-	75	-
Services and supplies	500	-	500	78
Total animal control	706	-	706	78
Total health and sanitation	4,448	4,741	(293)	1,588
Contingency	15,187	-	15,187	-
Total expenditures	\$ 3,960,972	\$ 3,155,039	\$ 805,933	\$ 1,709,221

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For the year ended June 30, 2024

MAJOR ENTERPRISE FUNDS

The Enterprise 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 City's management is that the costs of providing goods or services be financed or recovered primarily through user charges.

Utility enterprise funds are used to account for revenues and expenses of the water, sewer, and electricity utility services provided for the residents of Caliente City, Nevada.

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Current Assets:		
Cash	\$ 383,277	\$ 295,196
Accounts receivable, net of allowance for uncollectible accounts (\$7,486)	19,520	17,618
Prepaid items	<u>3,102</u>	<u>2,812</u>
Total current assets	<u>405,899</u>	<u>315,626</u>
Restricted Assets:		
Cash	<u>22,333</u>	<u>22,231</u>
Capital Assets:		
Land	4,016	4,016
Water rights	195,745	195,745
Buildings	31,807	31,807
Machinery, equipment, and plant	3,084,274	3,066,620
Accumulated depreciation	<u>(2,974,415)</u>	<u>(2,956,029)</u>
Capital assets, net of accumulated depreciation	<u>341,427</u>	<u>342,159</u>
Total assets	<u>769,659</u>	<u>680,016</u>
Deferred Outflows of Resources:		
Pension charge	<u>45,307</u>	<u>64,492</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER
COMPARATIVE STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 and 2023

	2024	2023
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 1,579	\$ 8,228
Accrued payroll	2,539	1,369
Accrued compensated absences	1,691	1,051
Accrued interest	54	56
Revenue bonds payable - current	<u>6,612</u>	<u>6,321</u>
Total current liabilities	<u>12,475</u>	<u>17,025</u>
Non-current Liabilities:		
Accrued compensated absences	2,241	1,715
Revenue bond payable, net of current portion	213,267	219,876
Net pension liability	<u>75,949</u>	<u>91,511</u>
Total non-current liabilities	<u>291,457</u>	<u>313,102</u>
Total liabilities	<u>303,932</u>	<u>330,127</u>
Deferred Inflows of Resources:		
Pension charge	<u>18,420</u>	<u>25,782</u>
Net Position:		
Net investment in capital assets	121,548	115,962
Restricted for capital improvements	5,965	5,863
Restricted for debt service	16,368	16,368
Unrestricted	<u>348,733</u>	<u>250,406</u>
Total net position	<u>\$ 492,614</u>	<u>\$ 388,599</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Operating Revenues:				
Charges for services	\$ 234,725	\$ 238,740	\$ 4,015	\$ 230,861
Operating Expenses:				
Water:				
Salaries and wages	35,810	44,426	(8,616)	35,289
Employee benefits	21,907	24,757	(2,850)	18,166
Services and supplies	97,687	30,053	67,634	73,472
General administration	35,115	31,708	3,407	33,554
Bad debt expense	-	236	(236)	421
Depreciation	176,000	18,386	157,614	17,157
Total operating expenses	366,519	149,566	216,953	178,059
Operating income (loss)	(131,794)	89,174	220,968	52,802
Non-Operating Revenues (Expenses):				
Investment income	-	28	28	9
Penalties	2,000	2,384	384	2,599
Grant	-	17,654	17,654	-
Gain (loss) on disposal of capital assets	-	4,823	4,823	-
Interest expense	(10,047)	(10,048)	(1)	(10,369)
Total non-operating revenues (expenses)	(8,047)	14,841	22,888	(7,761)
Change in net position	\$ (139,841)	104,015	\$ 243,856	45,041
Net Position:				
Beginning of year		388,599		343,558
End of year		\$ 492,614		\$ 388,599

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-WATER
COMPARATIVE SCHEDULE OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers	\$ 236,602	\$ 233,571
Cash paid for salaries, wages, and employee benefits	(82,239)	(68,896)
Cash paid for services and supplies	(57,047)	(91,966)
Net cash provided (used) by operating activities	<u>97,316</u>	<u>72,709</u>
Cash Flows From Capital and Related Financing Activities:		
Grants	17,654	-
Penalties and miscellaneous	2,384	2,599
Principal paid on capital debt	(6,318)	(6,040)
Interest paid on capital debt	(10,050)	(10,327)
Purchase of capital assets	(17,654)	-
Proceeds from the sale of assets	4,823	-
Net cash provided (used) by capital and related financing activities	<u>(9,161)</u>	<u>(13,768)</u>
Cash Flows From Investing Activities:		
Investment income	28	9
Net increase (decrease) in cash and cash equivalents	<u>88,183</u>	<u>58,950</u>
Cash:		
Beginning of year	317,427	258,477
End of year	<u>\$ 405,610</u>	<u>\$ 317,427</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities		
Operating income (loss)	\$ 89,174	\$ 52,802
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation and amortization	18,386	17,157
(Increase) decrease in prepaid items	(290)	(259)
(Increase) decrease in accounts receivable	(1,902)	3,131
(Increase) decrease in deferred outflows - pension charges	19,185	(34,720)
Increase (decrease) in accounts payable	(6,649)	3,205
Increase (decrease) in accrued payroll	1,170	(2,739)
Increase (decrease) in accrued compensated absences	1,166	(1,054)
Increase (decrease) in net pension liability	(15,562)	55,990
Increase (decrease) in deferred inflows - pension charges	(7,362)	(20,804)
Total adjustments	<u>8,142</u>	<u>19,907</u>
Net cash provided (used) by operating activities	<u>\$ 97,316</u>	<u>\$ 72,709</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Current Assets:		
Cash	\$ 9,059	\$ -
Accounts receivable, net of allowance for uncollectible accounts (\$5,456)	<u>20,135</u>	<u>19,884</u>
Total current assets	<u>29,194</u>	<u>19,884</u>
Restricted Assets:		
Cash	<u>128,472</u>	<u>127,817</u>
Capital Assets:		
Land	262,453	262,453
Buildings	38,473	38,473
Machinery, equipment, and plant	4,509,192	4,502,205
Accumulated depreciation	<u>(3,379,391)</u>	<u>(3,270,720)</u>
Capital assets, net of accumulated depreciation	<u>1,430,727</u>	<u>1,532,411</u>
Total assets	<u>1,588,393</u>	<u>1,680,112</u>
Deferred Outflows of Resources:		
Pension charge	<u>36,279</u>	<u>55,401</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER
COMPARATIVE STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 and 2023

	2024	2023
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 344	\$ 8,725
Accrued payroll	1,347	1,190
Due to other funds	-	41,245
Accrued compensated absences	1,290	914
Accrued interest	3,563	3,966
Revenue bonds payable - current	50,836	48,451
Total current liabilities	<u>57,380</u>	<u>104,491</u>
Non-current Liabilities:		
Accrued compensated absences	1,711	1,491
Revenue bond payable, net of current portion	611,894	663,035
Net pension liability	69,916	83,830
Total non-current liabilities	<u>683,521</u>	<u>748,356</u>
Total liabilities	<u>740,901</u>	<u>852,847</u>
Deferred Inflows of Resources:		
Pension charge	<u>15,308</u>	<u>22,250</u>
Net Position:		
Net investment in capital assets	767,997	820,925
Restricted for capital improvements	18,277	17,622
Restricted for debt service	110,195	110,195
Unrestricted	<u>(28,006)</u>	<u>(88,326)</u>
Total net position	<u>\$ 868,463</u>	<u>\$ 860,416</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Operating Revenues:				
Charges for services	\$ 240,670	\$ 242,501	\$ 1,831	\$ 233,375
Operating Expenses:				
Sewer:				
Salaries and wages	34,779	31,581	3,198	29,366
Employee benefits	21,000	18,032	2,968	15,757
Services and supplies	50,520	19,279	31,241	18,113
General administration	31,839	32,207	(368)	33,919
Bad debt expense	-	240	(240)	476
Depreciation	142,000	108,671	33,329	106,338
Total operating expenses	280,138	210,010	70,128	203,969
Operating income (loss)	(39,468)	32,491	71,959	29,406
Non-Operating Revenues (Expenses):				
Investment income	-	655	655	208
Penalties	1,771	2,422	651	2,627
Standby fees	2,100	-	(2,100)	-
Gain (loss) on disposal of capital assets	-	4,823	4,823	-
Interest expense	(33,053)	(32,344)	709	(34,891)
Total non-operating revenues (expenses)	(29,182)	(24,444)	4,738	(32,056)
Income before other revenues, expenses gains, losses, and transfers	(68,650)	8,047	76,697	(2,650)
Transfers:				
Operating transfer in	100,812	-	(100,812)	-
Change in net position	\$ 32,162	8,047	\$ (24,115)	(2,650)
Net Position:				
Beginning of year		860,416		863,066
End of year		\$ 868,463		\$ 860,416

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-SEWER
COMPARATIVE SCHEDULE OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers	\$ 242,010	\$ 231,055
Cash paid for salaries, wages, and employee benefits	(62,430)	(60,081)
Cash paid for services and supplies	(48,031)	(36,112)
Net cash provided (used) by operating activities	<u>131,549</u>	<u>134,862</u>
Cash Flows From Non-Capital Financing Activities:		
Due to/from other funds	<u>(41,245)</u>	<u>(35,309)</u>
Cash Flows From Capital and Related Financing Activities:		
Penalties and miscellaneous	2,422	2,627
Principal paid on capital debt	(48,756)	(46,472)
Interest paid on capital debt	(32,747)	(35,033)
Purchase of capital assets	(6,987)	(20,675)
Proceeds from the sale of assets	4,823	-
Net cash (used) by capital and related financing activities	<u>(81,245)</u>	<u>(99,553)</u>
Cash Flows From Investing Activities:		
Investment income	<u>655</u>	<u>208</u>
Net increase in cash and cash equivalents	9,714	208
Cash:		
Beginning of year	127,817	127,609
End of year	<u>\$ 137,531</u>	<u>\$ 127,817</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Operating income (loss)	<u>\$ 32,491</u>	<u>\$ 29,406</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation and amortization	108,671	106,338
(Increase) decrease in accounts receivable	(251)	(1,844)
(Increase) decrease in deferred outflows - pension charges	19,122	(28,360)
Increase (decrease) in accounts payable	(8,381)	3,674
Increase (decrease) in accrued payroll	157	(2,419)
Increase (decrease) in accrued compensated absences	596	(951)
Increase (decrease) in net pension liability	(13,914)	50,491
Increase (decrease) in deferred inflows - pension charges	(6,942)	(21,473)
Total adjustments	<u>99,058</u>	<u>105,456</u>
Net cash provided (used) by operating activities	<u>\$ 131,549</u>	<u>\$ 134,862</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Current Assets:		
Cash	\$ 526,486	\$ 465,433
Accounts receivable, net of allowance for uncollectible accounts (\$31,824)	131,323	72,726
Prepaid items	-	1,789
Due from other funds	-	60,582
	<u>657,809</u>	<u>600,530</u>
Restricted Assets:		
Cash	<u>12,749</u>	<u>12,681</u>
Capital Assets:		
Land	4,016	4,016
Buildings	40,304	40,304
Machinery, equipment, and plant	2,284,546	2,284,546
Accumulated depreciation	<u>(1,806,207)</u>	<u>(1,736,635)</u>
Capital assets, net of accumulated depreciation	<u>522,659</u>	<u>592,231</u>
Intangible Assets:		
Lease assets	27,189	27,189
Accumulated amortization	<u>(15,023)</u>	<u>(9,585)</u>
Intangible assets, net of accumulated amortization	<u>12,166</u>	<u>17,604</u>
Total assets	<u>1,205,383</u>	<u>1,223,046</u>
Deferred Outflows of Resources:		
Pension charge	<u>31,343</u>	<u>67,806</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY
COMPARATIVE STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2024 and 2023

	2024	2023
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 108,312	\$ 128,361
Accrued payroll	2,343	2,468
Accrued compensated absences	3,043	1,908
Note payable - current	-	20,700
Lease obligation - current	<u>5,599</u>	<u>5,381</u>
Total current liabilities	<u>119,297</u>	<u>158,818</u>
Current Liabilities Payable from Restricted Cash:		
Customer deposits	<u>32,823</u>	<u>38,759</u>
Non-current Liabilities:		
Accrued compensated absences	4,034	3,113
Lease obligation, net of current portion	7,184	12,783
Net pension liability	<u>371,586</u>	<u>395,131</u>
Total non-current liabilities	<u>382,804</u>	<u>411,027</u>
Total liabilities	<u>534,924</u>	<u>608,604</u>
Deferred Inflows of Resources:		
Pension charge	<u>12,581</u>	<u>28,451</u>
Net Position:		
Net investment in capital assets	522,042	570,971
Unrestricted	<u>167,179</u>	<u>82,826</u>
Total net position	<u>\$ 689,221</u>	<u>\$ 653,797</u>

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Operating Revenues:				
Charges for services	\$ 1,764,227	\$ 1,657,370	\$ (106,857)	\$ 1,438,851
Operating Expenses:				
Electricity:				
Salaries and wages	17,924	30,091	(12,167)	22,281
Employee benefits	11,019	20,388	(9,369)	13,557
Services and supplies	1,539,240	1,319,101	220,139	1,192,150
General administration	198,812	220,117	(21,305)	209,122
Bad debt expense	-	1,636	(1,636)	1,739
Depreciation	78,000	69,572	8,428	79,365
Amortization	-	5,438	(5,438)	5,438
Total operating expenses	1,844,995	1,666,343	178,652	1,523,652
Operating income (loss)	(80,768)	(8,973)	71,795	(84,801)
Non-Operating Revenues (Expenses):				
Investment income	-	143	143	43
Penalties	13,333	16,552	3,219	16,197
Standby fees	2,160	-	(2,160)	-
Debt surcharge	-	7,452	7,452	7,341
Gain (loss) on disposal of capital assets	-	21,824	21,824	-
Interest expense	(1,572)	(1,574)	(2)	(3,975)
Total non-operating revenues (expenses)	13,921	44,397	30,476	19,606
Income before other revenues, expenses gains, losses, and transfers	(66,847)	35,424	102,271	(65,195)
Transfers:				
Operating transfer in	21,838	-	(21,838)	-
Change in net position	\$ (45,009)	35,424	\$ 80,433	(65,195)
Net Position:				
Beginning of year		653,797		718,992
End of year		\$ 689,221		\$ 653,797

CITY OF CALIENTE, NEVADA
MAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-ELECTRICITY
COMPARATIVE SCHEDULE OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers	\$ 1,591,201	\$ 1,464,721
Cash paid for salaries, wages, and employee benefits	(132,393)	(108,390)
Cash paid for services and supplies	(1,476,585)	(1,309,061)
Net cash provided (used) by operating activities	(17,777)	47,270
Cash Flows From Non-Capital Financing Activities:		
Due to/from other funds	60,582	51,211
Cash Flows From Capital and Related Financing Activities:		
Debt surcharge	7,452	7,341
Penalties and miscellaneous	16,552	16,197
Principal paid on debt	(26,081)	(52,338)
Interest paid on debt	(1,574)	(3,975)
Proceeds from the sale of assets	21,824	-
Net cash provided (used) by capital and related financing activities	18,173	(32,775)
Cash Flows From Investing Activities:		
Investment income	143	43
Net increase (decrease) in cash and cash equivalents	61,121	65,749
Cash:		
Beginning of year	478,114	412,365
End of year	\$ 539,235	\$ 478,114
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Operating income (loss)	\$ (8,973)	\$ (84,801)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by Operating Activities:		
Depreciation and amortization	75,010	84,803
(Increase) decrease in prepaid items	1,789	-
(Increase) decrease in accounts receivable	(58,597)	24,919
(Increase) decrease in deferred outflows - pension charges	36,463	46,671
Increase (decrease) in accounts payable	(20,049)	16,709
Increase (decrease) in accrued payroll	(125)	(1,870)
Increase (decrease) in customer deposits	(5,936)	2,690
Increase (decrease) in accrued compensated absences	2,056	946
Increase (decrease) in net pension liability	(23,545)	193,362
Increase (decrease) in deferred inflows - pension charges	(15,870)	(236,159)
Total adjustments	(8,804)	132,071
Net cash provided (used) by operating activities	\$ (17,777)	\$ 47,270

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For the year ended June 30, 2024

NONMAJOR GOVERNMENTAL FUNDS

**Combining statements of all nonmajor
governmental activity.**

CITY OF CALIENTE, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals
Assets:				
Pooled cash	\$ 606,390	\$ 92,452	\$ 197,859	\$ 896,701
Taxes receivable	8,861	-	-	8,861
Due from other governments	16,386	-	-	16,386
Due from others	1,508	3,019	3,019	7,546
Accounts receivable	<u>11,700</u>	<u>-</u>	<u>-</u>	<u>11,700</u>
 Total assets	 <u>\$ 644,845</u>	 <u>\$ 95,471</u>	 <u>\$ 200,878</u>	 <u>\$ 941,194</u>
Liabilities:				
Accounts payable	\$ 7,921	\$ -	\$ -	\$ 7,921
Accrued payroll	<u>4,444</u>	<u>-</u>	<u>-</u>	<u>4,444</u>
 Total liabilities	 <u>12,365</u>	 <u>-</u>	 <u>-</u>	 <u>12,365</u>
Fund Balance:				
Restricted for:				
General government	5,369	-	-	5,369
Judicial	1,816	-	-	1,816
Public safety	20,053	-	-	20,053
Public works	91,463	-	-	91,463
Capital projects	-	-	200,878	200,878
Debt service	-	95,471	-	95,471
Committed for:				
General government	319,042	-	-	319,042
Culture and recreation	<u>194,737</u>	<u>-</u>	<u>-</u>	<u>194,737</u>
 Total fund balance	 <u>632,480</u>	 <u>95,471</u>	 <u>200,878</u>	 <u>928,829</u>
 Total liabilities and fund balance	 <u>\$ 644,845</u>	 <u>\$ 95,471</u>	 <u>\$ 200,878</u>	 <u>\$ 941,194</u>

CITY OF CALIENTE, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	\$ 109,028	\$ -	\$ -	\$ 109,028
Licenses and permits	14,734	29,468	29,468	73,670
Intergovernmental	98,930	-	9,636	108,566
Charges for services	75,002	-	-	75,002
Miscellaneous	24,219	-	-	24,219
Total revenues	321,913	29,468	39,104	390,485
Expenditures:				
Current:				
General government	1,695	-	-	1,695
Public safety	18,240	-	-	18,240
Public works	69,965	-	-	69,965
Culture and recreation	137,485	-	-	137,485
Intergovernmental	8,839	-	-	8,839
Total expenditures	236,224	-	-	236,224
Excess (deficiency) of revenues over expenditures	85,689	29,468	39,104	154,261
Other Financing Sources (Uses):				
Operating transfers in	69,497	-	-	69,497
Operating transfers out	(69,497)	-	-	(69,497)
Sale of capital assets	100	-	-	100
Total other financing sources (uses):	100	-	-	100
Net change in fund balance	85,789	29,468	39,104	154,361
Fund Balance:				
Beginning of year	546,691	66,003	161,774	774,468
End of year	\$ 632,480	\$ 95,471	\$ 200,878	\$ 928,829

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For the year ended June 30, 2024

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Streets Fund is used to account for fuel tax revenues and expenditures utilized to maintain City roads.

The Parks and Recreation Fund is used to account for pool and park fees collected and expenditures associated with those fees.

The Room Tax Fund is used to account for room taxes collected to be spent on the promotion of tourism for the City.

The Beautification Committee Fund is used to account for money collected to be spent on the improvements for the City.

Municipal Court AA Fees Fund is used to account for revenue from Administrative Assessments as required by NRS 176.059 and expenditures associated with those fees.

Meadow Valley Industrial Park Fund is used to account for rent revenues received for the Meadow Valley Industrial Park and any related expenditures.

The Heritage Museum Board Fund is used to account for donation revenues received to be used for museum restoration expenditures.

Fire Fund is used to account for fire fees collected and expenditures for the fire department.

Special License Fund is used to account for revenues received from special license fees and expenditures related to marijuana establishments.

Marijuana Oversight Fund is used to account for revenues received from special license fees related to marijuana establishments and oversight expenditures of the City.

Emergency Relief Fund is used to account for revenues received from special license fees from marijuana establishments to be used to mitigate unforeseen operational costs incurred by the City.

CITY OF CALIENTE, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Streets	Parks and Recreation	Room Tax	Beautification Committee	Municipal Court AA Fees
Assets:					
Pooled cash	\$ 75,615	\$ 40,775	\$ 145,109	\$ 6,353	\$ 1,816
Taxes receivable	-	-	8,861	-	-
Due from other governments	16,386	-	-	-	-
Due from others	-	-	-	-	-
Accounts receivable	-	5,308	-	-	-
Total assets	\$ 92,001	\$ 46,083	\$ 153,970	\$ 6,353	\$ 1,816
Liabilities:					
Accounts payable	\$ 126	\$ 360	\$ 7,412	\$ -	\$ -
Accrued payroll	412	4,000	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	538	4,360	7,412	-	-
Fund Balance:					
Restricted:					
General government	-	-	-	-	-
Judicial	-	-	-	-	1,816
Public safety	-	-	-	-	-
Public works	91,463	-	-	-	-
Committed:					
General government	-	-	-	-	-
Culture and recreation	-	41,723	146,558	6,353	-
Total fund balance	91,463	41,723	146,558	6,353	1,816
Total liabilities and fund balance	\$ 92,001	\$ 46,083	\$ 153,970	\$ 6,353	\$ 1,816

Meadow Valley Industrial Park	Heritage Museum Board	Fire	Special License	Marijuana Oversight	Emergency Relief	Tree Board	Totals	
							2024	2023
\$ 55,081	\$ 5,369	\$ 13,661	\$ 190,000	\$ 30,346	\$ 42,162	\$ 103	\$ 606,390	\$ 528,091
-	-	-	-	-	-	-	8,861	11,211
-	-	-	-	-	-	-	16,386	16,245
-	-	-	-	754	754	-	1,508	1,612
-	-	6,392	-	-	-	-	11,700	11,024
<u>\$ 55,081</u>	<u>\$ 5,369</u>	<u>\$ 20,053</u>	<u>\$ 190,000</u>	<u>\$ 31,100</u>	<u>\$ 42,916</u>	<u>\$ 103</u>	<u>\$ 644,845</u>	<u>\$ 568,183</u>
\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,921	\$ 12,815
32	-	-	-	-	-	-	4,444	3,188
-	-	-	-	-	-	-	-	5,489
<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,365</u>	<u>21,492</u>
-	5,369	-	-	-	-	-	5,369	6,866
-	-	-	-	-	-	-	1,816	1,816
-	-	20,053	-	-	-	-	20,053	287
-	-	-	-	-	-	-	91,463	55,433
55,026	-	-	190,000	31,100	42,916	-	319,042	295,203
-	-	-	-	-	-	103	194,737	187,086
<u>55,026</u>	<u>5,369</u>	<u>20,053</u>	<u>190,000</u>	<u>31,100</u>	<u>42,916</u>	<u>103</u>	<u>632,480</u>	<u>546,691</u>
<u>\$ 55,081</u>	<u>\$ 5,369</u>	<u>\$ 20,053</u>	<u>\$ 190,000</u>	<u>\$ 31,100</u>	<u>\$ 42,916</u>	<u>\$ 103</u>	<u>\$ 644,845</u>	<u>\$ 568,183</u>

CITY OF CALIENTE, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Streets	Parks and Recreation	Room Tax	Beautification Committee	Municipal Court AA Fees
Revenues:					
Taxes	\$ -	\$ -	\$ 109,028	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	96,865	-	-	-	-
Charges for services	-	39,061	-	-	-
Miscellaneous	9,130	-	132	2,576	-
Total revenues	105,995	39,061	109,160	2,576	-
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	69,965	-	-	-	-
Culture and recreation	-	81,760	35,157	8,096	-
Intergovernmental	-	-	8,839	-	-
Total expenditures	69,965	81,760	43,996	8,096	-
Excess (deficiency) of revenues over expenditures	36,030	(42,699)	65,164	(5,520)	-
Other Financing Sources (Uses):					
Operating transfers in	-	60,000	-	-	-
Operating transfers out	-	(297)	(69,200)	-	-
Sale of capital assets	-	100	-	-	-
Total other financing sources (uses):	-	59,803	(69,200)	-	-
Net change in fund balance	36,030	17,104	(4,036)	(5,520)	-
Fund Balance:					
Beginning of year	55,433	24,619	150,594	11,873	1,816
End of year	\$ 91,463	\$ 41,723	\$ 146,558	\$ 6,353	\$ 1,816

Meadow Valley Industrial Park	Heritage Museum Board	Fire	Special License	Marijuana Oversight	Emergency Relief	Tree Board	Totals	
							2024	2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,028	\$ 111,456
-	-	-	-	7,367	7,367	-	14,734	24,688
-	-	2,065	-	-	-	-	98,930	186,993
-	-	35,941	-	-	-	-	75,002	71,035
<u>10,800</u>	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303</u>	<u>24,219</u>	<u>20,891</u>
<u>10,800</u>	<u>1,278</u>	<u>38,006</u>	<u>-</u>	<u>7,367</u>	<u>7,367</u>	<u>303</u>	<u>321,913</u>	<u>415,063</u>
1,695	-	-	-	-	-	-	1,695	2,354
-	-	18,240	-	-	-	-	18,240	46,843
-	-	-	-	-	-	-	69,965	151,053
-	11,975	-	-	-	-	497	137,485	114,218
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,839</u>	<u>10,629</u>
<u>1,695</u>	<u>11,975</u>	<u>18,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497</u>	<u>236,224</u>	<u>325,097</u>
<u>9,105</u>	<u>(10,697)</u>	<u>19,766</u>	<u>-</u>	<u>7,367</u>	<u>7,367</u>	<u>(194)</u>	<u>85,689</u>	<u>89,966</u>
-	9,200	-	-	-	-	297	69,497	50,000
-	-	-	-	-	-	-	(69,497)	(50,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>
<u>-</u>	<u>9,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297</u>	<u>100</u>	<u>-</u>
9,105	(1,497)	19,766	-	7,367	7,367	103	85,789	89,966
<u>45,921</u>	<u>6,866</u>	<u>287</u>	<u>190,000</u>	<u>23,733</u>	<u>35,549</u>	<u>-</u>	<u>546,691</u>	<u>456,725</u>
<u>\$ 55,026</u>	<u>\$ 5,369</u>	<u>\$ 20,053</u>	<u>\$ 190,000</u>	<u>\$ 31,100</u>	<u>\$ 42,916</u>	<u>\$ 103</u>	<u>\$ 632,480</u>	<u>\$ 546,691</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - STREETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 75,615	\$ 39,687
Due from other governments	<u>16,386</u>	<u>16,245</u>
 Total assets	 <u>\$ 92,001</u>	 <u>\$ 55,932</u>
 Liabilities:		
Accounts payable	\$ 126	\$ -
Accrued payroll	<u>412</u>	<u>499</u>
 Total liabilities	 538	 499
 Fund Balance:		
Restricted for public works	<u>91,463</u>	<u>55,433</u>
 Total liabilities and fund balance	 <u>\$ 92,001</u>	 <u>\$ 55,932</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - STREETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Intergovernmental:				
Gas tax \$1.75	\$ 3,688	\$ 3,425	\$ (263)	\$ 3,283
Gas tax \$2.35	86,208	86,204	(4)	86,205
Optional \$0.01 gas tax	7,802	7,236	(566)	6,426
Grant revenue	-	-	-	91,079
RTC	41,000	-	(41,000)	-
Total intergovernmental	138,698	96,865	(41,833)	186,993
Miscellaneous:				
Equipment rental	-	9,130	9,130	-
Total revenues	138,698	105,995	(32,703)	186,993
Expenditures:				
Current:				
Public Works:				
Salaries and wages	32,909	14,690	18,219	19,918
Employee benefits	20,150	8,110	12,040	9,549
Services and supplies	85,639	32,765	52,874	30,507
Capital outlay	-	14,400	(14,400)	91,079
Total expenditures	138,698	69,965	68,733	151,053
Excess (deficiency) of revenues over expenditures	-	36,030	36,030	35,940
Fund Balance:				
Beginning of year	-	55,433	55,433	19,493
End of year	\$ -	\$ 91,463	\$ 91,463	\$ 55,433

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PARKS AND RECREATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 40,775	\$ 24,902
Accounts receivable	<u>5,308</u>	<u>5,248</u>
 Total assets	 <u>\$ 46,083</u>	 <u>\$ 30,150</u>
 Liabilities:		
Accounts payable	\$ 360	\$ 2,926
Accrued payroll	<u>4,000</u>	<u>2,605</u>
 Total liabilities	 4,360	 5,531
 Fund Balance:		
Committed for culture and recreation	<u>41,723</u>	<u>24,619</u>
 Total liabilities and fund balance	 <u>\$ 46,083</u>	 <u>\$ 30,150</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PARKS AND RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Charges for Services:				
Swimming pool	\$ 1,000	\$ 2,712	\$ 1,712	\$ 874
Park fees	44,400	36,349	(8,051)	35,208
Total revenues	<u>45,400</u>	<u>39,061</u>	<u>(6,339)</u>	<u>36,082</u>
Expenditures:				
Current:				
Culture and Recreation:				
Pool:				
Salaries and wages	18,300	16,125	2,175	8,758
Employee benefits	2,358	4,166	(1,808)	2,683
Services and supplies	10,000	6,459	3,541	7,686
Total pool expenditures	<u>30,658</u>	<u>26,750</u>	<u>3,908</u>	<u>19,127</u>
Park:				
Salaries and wages	52,243	32,313	19,930	29,734
Employee benefits	26,114	13,430	12,684	10,810
Services and supplies	21,600	8,467	13,133	9,538
Capital outlay	-	800	(800)	-
Total park expenditures	<u>99,957</u>	<u>55,010</u>	<u>44,947</u>	<u>50,082</u>
Total expenditures	<u>130,615</u>	<u>81,760</u>	<u>48,855</u>	<u>69,209</u>
Excess (deficiency) of revenues over expenditures	<u>(85,215)</u>	<u>(42,699)</u>	<u>42,516</u>	<u>(33,127)</u>
Other Financing Sources (Uses):				
Operating transfers in	60,000	60,000	-	50,000
Operating transfers out	-	(297)	(297)	-
Sale of capital assets	-	100	100	-
Total other financing sources (uses)	<u>60,000</u>	<u>59,803</u>	<u>(197)</u>	<u>50,000</u>
Net change in fund balance	(25,215)	17,104	42,319	16,873
Fund Balance:				
Beginning of year	<u>30,214</u>	<u>24,619</u>	<u>(5,595)</u>	<u>7,746</u>
End of year	<u>\$ 4,999</u>	<u>\$ 41,723</u>	<u>\$ 36,724</u>	<u>\$ 24,619</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - ROOM TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 145,109	\$ 149,249
Taxes receivable	<u>8,861</u>	<u>11,211</u>
 Total assets	 <u>\$ 153,970</u>	 <u>\$ 160,460</u>
 Liabilities:		
Accounts payable	\$ 7,412	\$ 9,866
 Fund Balance:		
Committed for culture and recreation	<u>146,558</u>	<u>150,594</u>
 Total liabilities and fund balance	 <u>\$ 153,970</u>	 <u>\$ 160,460</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - ROOM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	
	Budget	Actual	Positive (Negative)	2023 Actual
Revenues:				
Taxes:				
Room tax	\$ 100,000	\$ 109,028	\$ 9,028	\$ 111,456
Miscellaneous:				
Investment income	-	132	132	139
Total revenues	<u>100,000</u>	<u>109,160</u>	<u>9,160</u>	<u>111,595</u>
Expenditures:				
Current:				
Culture and Recreation:				
Services and supplies	<u>110,000</u>	<u>35,157</u>	<u>74,843</u>	<u>39,744</u>
Intergovernmental:				
Payment to the county	-	5,524	(5,524)	7,282
Payment to the state	<u>3,500</u>	<u>3,315</u>	<u>185</u>	<u>3,347</u>
Total intergovernmental	<u>3,500</u>	<u>8,839</u>	<u>(5,339)</u>	<u>10,629</u>
Total expenditures	<u>113,500</u>	<u>43,996</u>	<u>69,504</u>	<u>50,373</u>
Excess (deficiency) of revenues over expenditures	(13,500)	65,164	78,664	61,222
Other Financing Sources (Uses):				
Operating transfers out	<u>(60,000)</u>	<u>(69,200)</u>	<u>(9,200)</u>	<u>(50,000)</u>
Net change in fund balance	(73,500)	(4,036)	69,464	11,222
Fund Balance:				
Beginning of year	<u>73,787</u>	<u>150,594</u>	<u>76,807</u>	<u>139,372</u>
End of year	<u>\$ 287</u>	<u>\$ 146,558</u>	<u>\$ 146,271</u>	<u>\$ 150,594</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - BEAUTIFICATION COMMITTEE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ <u>6,353</u>	\$ <u>11,873</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Committed for culture and recreation	<u>6,353</u>	<u>11,873</u>
Total liabilities and fund balance	\$ <u>6,353</u>	\$ <u>11,873</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - BEAUTIFICATION COMMITTEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Donations	\$ 3,600	\$ 2,576	\$ (1,024)	\$ 7,872
Expenditures:				
Current:				
Culture and Recreation:				
Services and supplies	<u>11,466</u>	<u>8,096</u>	<u>3,370</u>	<u>5,265</u>
Excess (deficiency) of revenues over expenditures	(7,866)	(5,520)	2,346	2,607
Fund Balance:				
Beginning of year	<u>7,866</u>	<u>11,873</u>	<u>4,007</u>	<u>9,266</u>
End of year	<u>\$ -</u>	<u>\$ 6,353</u>	<u>\$ 6,353</u>	<u>\$ 11,873</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - MUNICIPAL COURT AA FEES SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ <u>1,816</u>	\$ <u>1,816</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for judicial	<u>1,816</u>	<u>1,816</u>
Total liabilities and fund balance	\$ <u>1,816</u>	\$ <u>1,816</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - MUNICIPAL COURT AA FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ -	\$ -	\$ 1
Expenditures:				
Current:				
Judicial:				
Services and supplies	<u>1,815</u>	<u>-</u>	<u>1,815</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,815)	-	1,815	1
Fund Balance:				
Beginning of year	<u>1,815</u>	<u>1,816</u>	<u>1</u>	<u>1,815</u>
End of year	<u>\$ -</u>	<u>\$ 1,816</u>	<u>\$ 1,816</u>	<u>\$ 1,816</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - MEADOW VALLEY INDUSTRIAL PARK SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 55,081	\$ 46,028
Liabilities:		
Accounts payable	\$ 23	\$ 23
Accrued payroll	32	84
Total liabilities	55	107
Fund Balance:		
Committed for general government	55,026	45,921
Total liabilities and fund balance	\$ 55,081	\$ 46,028

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - MEADOW VALLEY INDUSTRIAL PARK SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Rents	\$ 10,800	\$ 10,800	\$ -	\$ 10,800
Expenditures:				
Current:				
General Government:				
Salaries and wages	-	769	(769)	714
Employee benefits	-	474	(474)	303
Services and supplies	8,500	452	8,048	1,337
Capital outlay	11,200	-	11,200	-
Total expenditures	19,700	1,695	18,005	2,354
Excess (deficiency) of revenues over expenditures	(8,900)	9,105	18,005	8,446
Fund Balance:				
Beginning of year	8,900	45,921	37,021	37,475
End of year	\$ -	\$ 55,026	\$ 55,026	\$ 45,921

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - HERITAGE MUSEUM BOARD SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 5,369	\$ 6,866
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for general government	5,369	6,866
Total liabilities and fund balance	\$ 5,369	\$ 6,866

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - HERITAGE MUSEUM BOARD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Donations	\$ 1,500	\$ 1,278	\$ (222)	\$ 2,079
Expenditures:				
Current:				
Culture and Recreation:				
Services and supplies	7,287	2,375	4,912	-
Capital outlay	-	9,600	(9,600)	-
Total expenditures	7,287	11,975	(4,688)	-
Excess (deficiency) of revenues over expenditures	(5,787)	(10,697)	(4,910)	2,079
Other Financing Sources (Uses):				
Operating transfers in	-	9,200	9,200	-
Net change in fund balance	(5,787)	(1,497)	4,290	2,079
Fund Balance:				
Beginning of year	5,787	6,866	1,079	4,787
End of year	\$ -	\$ 5,369	\$ 5,369	\$ 6,866

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - FIRE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 13,661	\$ -
Accounts receivable	<u>6,392</u>	<u>5,776</u>
 Total assets	 <u>\$ 20,053</u>	 <u>\$ 5,776</u>
 Liabilities:		
Due to other funds	\$ -	\$ 5,489
 Fund Balance:		
Restricted for public safety	<u>20,053</u>	<u>287</u>
 Total liabilities and fund balance	 <u>\$ 20,053</u>	 <u>\$ 5,776</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - FIRE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Intergovernmental:				
Grant revenue	\$ -	\$ 2,065	\$ 2,065	\$ -
Charges for Services:				
Fire department fees	<u>36,000</u>	<u>35,941</u>	<u>(59)</u>	<u>34,953</u>
Total revenues	<u>36,000</u>	<u>38,006</u>	<u>2,006</u>	<u>34,953</u>
Expenditures:				
Current:				
Public Safety:				
Employee benefits	12,000	13,726	(1,726)	12,202
Services and supplies	25,568	2,449	23,119	7,435
Capital outlay	<u>-</u>	<u>2,065</u>	<u>(2,065)</u>	<u>27,206</u>
Total expenditures	<u>37,568</u>	<u>18,240</u>	<u>19,328</u>	<u>46,843</u>
Excess (deficiency) of revenues over expenditures	(1,568)	19,766	21,334	(11,890)
Fund Balance:				
Beginning of year	<u>1,568</u>	<u>287</u>	<u>(1,281)</u>	<u>12,177</u>
End of year	<u>\$ -</u>	<u>\$ 20,053</u>	<u>\$ 20,053</u>	<u>\$ 287</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - SPECIAL LICENSE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 190,000	\$ 190,000
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Committed for general government	190,000	190,000
Total liabilities and fund balance	\$ 190,000	\$ 190,000

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - SPECIAL LICENSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Licenses and Permits:				
Special licenses	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General Government:				
Services and supplies	90,400	-	90,400	-
Health:				
Services and supplies	100,200	-	100,200	-
Total expenditures	190,600	-	190,600	-
Excess (deficiency) of revenues over expenditures	(190,600)	-	190,600	-
Fund Balance:				
Beginning of year	190,600	190,000	(600)	190,000
End of year	\$ -	\$ 190,000	\$ 190,000	\$ 190,000

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - MARIJUANA OVERSIGHT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 30,346	\$ 22,927
Due from others	<u>754</u>	<u>806</u>
 Total assets	 <u>\$ 31,100</u>	 <u>\$ 23,733</u>
 Liabilities:		
Accounts payable	\$ -	\$ -
 Fund Balance:		
Committed for general government	<u>31,100</u>	<u>23,733</u>
 Total liabilities and fund balance	 <u>\$ 31,100</u>	 <u>\$ 23,733</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - MARIJUANA OVERSIGHT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Licenses and Permits:				
Special licenses	\$ 10,000	\$ 7,367	\$ (2,633)	\$ 12,344
Expenditures:				
Current:				
General Government:				
Services and supplies	<u>31,389</u>	<u>-</u>	<u>31,389</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(21,389)	7,367	28,756	12,344
Fund Balance:				
Beginning of year	<u>21,389</u>	<u>23,733</u>	<u>2,344</u>	<u>11,389</u>
End of year	<u>\$ -</u>	<u>\$ 31,100</u>	<u>\$ 31,100</u>	<u>\$ 23,733</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - EMERGENCY RELIEF SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 42,162	\$ 34,743
Due from others	<u>754</u>	<u>806</u>
Total assets	<u>\$ 42,916</u>	<u>\$ 35,549</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Committed for general government	<u>42,916</u>	<u>35,549</u>
Total liabilities and fund balance	<u>\$ 42,916</u>	<u>\$ 35,549</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - EMERGENCY RELIEF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Licenses and Permits:				
Special licenses	\$ 10,000	\$ 7,367	\$ (2,633)	\$ 12,344
Expenditures:				
Current:				
General Government:				
Services and supplies	<u>44,205</u>	<u>-</u>	<u>44,205</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(34,205)	7,367	41,572	12,344
Fund Balance:				
Beginning of year	<u>34,205</u>	<u>35,549</u>	<u>1,344</u>	<u>23,205</u>
End of year	<u>\$ -</u>	<u>\$ 42,916</u>	<u>\$ 42,916</u>	<u>\$ 35,549</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - TREE BOARD SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2024

2024

Assets:

Pooled cash	\$ <u>103</u>
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Liabilities:

Accounts payable	\$ -
------------------	------

Fund Balance:

Committed for culture and recreation	<u>103</u>
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Total liabilities and fund balance	\$ <u>103</u>
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CITY OF CALIENTE, NEVADA
NONMAJOR FUND - TREE BOARD SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

	2024		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Miscellaneous:			
Donations	\$ -	\$ 303	\$ 303
Expenditures:			
Current:			
Culture and Recreation:			
Services and supplies	-	497	(497)
Excess (deficiency) of revenues over expenditures	-	(194)	(194)
Other Financing Sources (Uses):			
Operating transfers in	-	297	297
Net change in fund balance	-	103	103
Fund Balance:			
Beginning of year	-	-	-
End of year	\$ -	\$ 103	\$ 103

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For the year ended June 30, 2024

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is used to account for revenues received from special license fees related to marijuana establishments and expenditures to pay toward debt incurred by the City.

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 92,452	\$ 62,780
Due from others	<u>3,019</u>	<u>3,223</u>
Total assets	<u>\$ 95,471</u>	<u>\$ 66,003</u>
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for debt service	<u>95,471</u>	<u>66,003</u>
Total liabilities and fund balance	<u>\$ 95,471</u>	<u>\$ 66,003</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Licenses and Permits:				
Special licenses	\$ 40,000	\$ 29,468	\$ (10,532)	\$ 49,378
Expenditures:				
Debt Service:				
Principal	-	-	-	22,487
Interest	-	-	-	538
Total expenditures	-	-	-	23,025
Excess (deficiency) of revenues over expenditures	40,000	29,468	(10,532)	26,353
Other Financing Sources (Uses):				
Operating transfers out	(122,650)	-	122,650	-
Net change in fund balance	(82,650)	29,468	112,118	26,353
Fund Balance:				
Beginning of year	82,650	66,003	(16,647)	39,650
End of year	\$ -	\$ 95,471	\$ 95,471	\$ 66,003

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For the year ended June 30, 2024

NONMAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities, improvements, and equipment other than those financed by proprietary funds.

Special Ad Valorem Fund is used to account for taxes levied for capital improvement expenditures.

Capital Expenditures Fund is used to account for revenues received from special license fees related to marijuana establishments and expenditures for the addition of permanent structural change or restoration of some aspect of the City property that will either enhance the City property's overall value, prolong its useful life, or adapt it to new uses.

The Streets Fund is used to account for revenues and expenditures for future streets improvements.

Park Fund is used to account for revenues and expenditures for future parks improvements.

Depot Restoration Fund is used to account for revenues and expenditures for future depot building improvements.

CITY OF CALIENTE, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Special Ad Valorem	Capital Expenditures	Streets	Parks	Depot Restoration
Assets:					
Pooled cash	\$ 51,303	\$ 115,477	\$ 10,000	\$ 10,000	\$ 11,079
Due from others	<u>-</u>	<u>3,019</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 51,303</u>	<u>\$ 118,496</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,079</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:					
Restricted for capital projects	<u>51,303</u>	<u>118,496</u>	<u>10,000</u>	<u>10,000</u>	<u>11,079</u>
Total liabilities and fund balance	<u>\$ 51,303</u>	<u>\$ 118,496</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,079</u>

Totals	
2024	2023
\$ 197,859	\$ 158,551
<u>3,019</u>	<u>3,223</u>
<u>\$ 200,878</u>	<u>\$ 161,774</u>
\$ -	\$ -
<u>200,878</u>	<u>161,774</u>
<u>\$ 200,878</u>	<u>\$ 161,774</u>

CITY OF CALIENTE, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(With Comparative Amounts for the Year Ended June 30, 2023)

	Special Ad Valorem	Capital Expenditures	Streets	Parks	Depot Restoration
Revenues:					
Licenses and permits	\$ -	\$ 29,468	\$ -	\$ -	\$ -
Intergovernmental	<u>9,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	9,636	29,468	-	-	-
Expenditures:					
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	9,636	29,468	-	-	-
Fund Balance:					
Beginning of year	<u>41,667</u>	<u>89,028</u>	<u>10,000</u>	<u>10,000</u>	<u>11,079</u>
End of year	<u>\$ 51,303</u>	<u>\$ 118,496</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,079</u>

Totals	
2024	2023
\$ 29,468	\$ 49,378
<u>9,636</u>	<u>9,173</u>
39,104	58,551
<u>-</u>	<u>-</u>
39,104	58,551
<u>161,774</u>	<u>103,223</u>
<u>\$ 200,878</u>	<u>\$ 161,774</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Pooled cash	\$ 51,303	\$ 41,667
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for capital projects	51,303	41,667
Total liabilities and fund balance	\$ 51,303	\$ 41,667

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - SPECIAL AD VALOREM CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Intergovernmental:				
Other	\$ 9,256	\$ 9,636	\$ 380	\$ 9,173
Expenditures:				
Capital projects	<u>50,937</u>	<u>-</u>	<u>50,937</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(41,681)	9,636	51,317	9,173
Fund Balance:				
Beginning of year	<u>41,681</u>	<u>41,667</u>	<u>(14)</u>	<u>32,494</u>
End of year	<u>\$ -</u>	<u>\$ 51,303</u>	<u>\$ 51,303</u>	<u>\$ 41,667</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - CAPITAL EXPENDITURES CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 115,477	\$ 85,805
Due from others	<u>3,019</u>	<u>3,223</u>
 Total assets	 <u>\$ 118,496</u>	 <u>\$ 89,028</u>
 Liabilities:		
Accounts payable	\$ -	\$ -
 Fund Balance:		
Restricted for capital projects	<u>118,496</u>	<u>89,028</u>
 Total liabilities and fund balance	 <u>\$ 118,496</u>	 <u>\$ 89,028</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - CAPITAL EXPENDITURES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Licenses and Permits:				
Special licenses	\$ 40,000	\$ 29,468	\$ (10,532)	\$ 49,378
Expenditures:				
Capital projects	<u>123,650</u>	<u>-</u>	<u>123,650</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(83,650)	29,468	113,118	49,378
Fund Balance:				
Beginning of year	<u>83,650</u>	<u>89,028</u>	<u>5,378</u>	<u>39,650</u>
End of year	<u>\$ -</u>	<u>\$ 118,496</u>	<u>\$ 118,496</u>	<u>\$ 89,028</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - STREETS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 10,000	\$ 10,000
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for capital projects	10,000	10,000
Total liabilities and fund balance	\$ 10,000	\$ 10,000

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - STREETS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital projects	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(20,000)	-	20,000	-
Other Financing Sources (Uses):				
Operating transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(10,000)	-	10,000	-
Fund Balance:				
Beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
End of year	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PARKS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 10,000	\$ 10,000
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for capital projects	10,000	10,000
Total liabilities and fund balance	\$ 10,000	\$ 10,000

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PARKS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital projects	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(20,000)	-	20,000	-
Other Financing Sources (Uses):				
Operating transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(10,000)	-	10,000	-
Fund Balance:				
Beginning of year	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
End of year	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - DEPOT RESTORATION CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2024 AND 2023

	2024	2023
Assets:		
Pooled cash	\$ 11,079	\$ 11,079
Liabilities:		
Accounts payable	\$ -	\$ -
Fund Balance:		
Restricted for capital projects	11,079	11,079
Total liabilities and fund balance	\$ 11,079	\$ 11,079

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - DEPOT RESTORATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Miscellaneous:				
Donations	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital projects	<u>11,079</u>	<u>-</u>	<u>11,079</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(11,079)	-	11,079	-
Fund Balance:				
Beginning of year	<u>11,079</u>	<u>11,079</u>	<u>-</u>	<u>11,079</u>
End of year	<u>\$ -</u>	<u>\$ 11,079</u>	<u>\$ 11,079</u>	<u>\$ 11,079</u>

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For the year ended June 30, 2024

NONMAJOR ENTERPRISE FUNDS

The Enterprise 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 City's management is that the costs of providing goods or services be financed or recovered primarily through user charges.

The utility enterprise fund is used to account for revenues and expenses of the waste collections and mosquito abatement utility services provided for the residents of Caliente City, Nevada.

The Building Fund is used to account for revenues and expenses of building inspection services provided for the residents of Caliente City, Nevada.

CITY OF CALIENTE, NEVADA
NONMAJOR UTILITY ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Waste	Mosquito Abatement	Building	Totals	
				2024	2023
Assets:					
Current Assets:					
Cash	\$ 20,500	\$ 43,746	\$ 22,907	\$ 87,153	\$ 78,860
Accounts receivable, net of allowance for uncollectible accounts (\$5,234)	21,810	1,304	-	23,114	20,488
Total current assets	42,310	45,050	22,907	110,267	99,348
Capital Assets:					
Land	4,016	-	-	4,016	4,016
Buildings	26,906	-	-	26,906	26,906
Machinery, equipment, and plant	465,406	6,223	-	471,629	456,307
Accumulated depreciation	(323,888)	(2,489)	-	(326,377)	(295,132)
Capital assets, net of accumulated depreciation	172,440	3,734	-	176,174	192,097
Total assets	214,750	48,784	22,907	286,441	291,445
Deferred Outflows of Resources:					
Pension charge	70,469	716	-	71,185	34,364
Liabilities:					
Current Liabilities:					
Accounts payable	10,409	16	-	10,425	18,469
Accrued payroll	2,675	192	-	2,867	1,846
Due to other funds	-	-	-	-	19,337
Accrued compensated absences	1,987	-	-	1,987	1,404
Total current liabilities	15,071	208	-	15,279	41,056
Non-current Liabilities:					
Accrued compensated absences	2,634	-	-	2,634	2,291
Net pension liability	72,320	2,157	-	74,477	60,533
Total non-current liabilities	74,954	2,157	-	77,111	62,824
Total liabilities	90,025	2,365	-	92,390	103,880
Deferred Inflows of Resources:					
Pension charge	30,738	81	-	30,819	9,580
Net Position:					
Net investment in capital assets	172,440	3,734	-	176,174	192,097
Unrestricted	(7,984)	43,320	22,907	58,243	20,252
Total net position	\$ 164,456	\$ 47,054	\$ 22,907	\$ 234,417	\$ 212,349

CITY OF CALIENTE, NEVADA
NONMAJOR UTILITY ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Waste	Mosquito Abatement	Building	Totals	
				2024	2023
Operating Revenues:					
Charges for services	\$ 256,736	\$ 7,231	\$ 17,494	\$ 281,461	\$ 271,154
Operating Expenses:					
Salaries and wages	53,139	2,173	-	55,312	50,945
Employee benefits	30,836	1,092	-	31,928	37,638
Services and supplies	92,037	6,280	21,865	120,182	169,102
General administration	34,097	961	-	35,058	33,094
Bad debt expense	254	7	-	261	490
Depreciation	30,623	622	-	31,245	31,815
Total operating expenses	240,986	11,135	21,865	273,986	323,084
Operating income (loss)	15,750	(3,904)	(4,371)	7,475	(51,930)
Non-Operating Revenues (Expenses):					
Insurance reimbursement	-	-	-	-	227,490
Penalties	2,564	72	-	2,636	2,563
Grants	11,957	-	-	11,957	-
Total non-operating revenues (expenses)	14,521	72	-	14,593	230,053
Change in net position	30,271	(3,832)	(4,371)	22,068	178,123
Net Position:					
Beginning of year	134,185	50,886	27,278	212,349	34,226
End of year	\$ 164,456	\$ 47,054	\$ 22,907	\$ 234,417	\$ 212,349

CITY OF CALIENTE, NEVADA
NONMAJOR UTILITY ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Waste	Mosquito Abatement	Building
Cash Flows From Operating Activities:			
Cash received from customers	\$ 253,966	\$ 7,114	\$ 17,494
Cash paid for salaries, wages, and employee benefits	(95,837)	(3,978)	-
Cash paid for services and supplies	(117,491)	(7,091)	(25,818)
Net cash provided (used) by operating activities	40,638	(3,955)	(8,324)
Cash Flows From Non-Capital Financing Activities:			
Due to/from other funds	(19,337)	-	-
Cash Flows From Capital and Related Financing Activities:			
Insurance reimbursement	-	-	-
Grants	11,957	-	-
Penalties and miscellaneous	2,564	72	-
Purchase of capital assets	(15,322)	-	-
Net cash (used) by capital and related financing activities	(801)	72	-
Net increase (decrease) in cash and cash equivalents	20,500	(3,883)	(8,324)
Cash:			
Beginning of year	-	47,629	31,231
End of year	\$ 20,500	\$ 43,746	\$ 22,907
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 15,750	\$ (3,904)	\$ (4,371)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and amortization	30,623	622	-
(Increase) decrease in accounts receivable	(2,516)	(110)	-
(Increase) decrease in deferred outflows - pension charges	(36,395)	(426)	-
Increase (decrease) in accounts payable	(3,887)	(204)	(3,953)
Increase (decrease) in accrued payroll	846	175	-
Increase (decrease) in accrued compensated absences	926	-	-
Increase (decrease) in net pension liability	14,016	(72)	-
Increase (decrease) in deferred inflows - pension charges	21,275	(36)	-
Total adjustments	24,888	(51)	(3,953)
Net cash provided (used) by operating activities	\$ 40,638	\$ (3,955)	\$ (8,324)

Totals	
2024	2023
\$ 278,574	\$ 267,817
(99,815)	(115,199)
<u>(150,400)</u>	<u>(183,162)</u>
28,359	(30,544)
<u>(19,337)</u>	<u>(15,902)</u>
-	227,490
11,957	-
2,636	2,563
<u>(15,322)</u>	<u>(167,474)</u>
(729)	62,579
8,293	16,133
<u>78,860</u>	<u>62,727</u>
\$ 87,153	\$ 78,860
<u>\$ 7,475</u>	<u>\$ (51,930)</u>
31,245	31,815
(2,626)	(2,847)
(36,821)	(15,945)
(8,044)	7,086
1,021	(3,344)
926	(1,095)
13,944	32,663
<u>21,239</u>	<u>(26,947)</u>
<u>20,884</u>	<u>21,386</u>
\$ 28,359	\$ (30,544)

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND - WASTE COLLECTION
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Current Assets:		
Cash	\$ 20,500	\$ -
Accounts receivable, net of allowance for uncollectible accounts (\$5,005)	<u>21,810</u>	<u>19,294</u>
Total current assets	<u>42,310</u>	<u>19,294</u>
Capital Assets:		
Land	4,016	4,016
Buildings	26,906	26,906
Machinery, equipment, and plant	465,406	450,084
Accumulated depreciation	<u>(323,888)</u>	<u>(293,265)</u>
Capital assets, net of accumulated depreciation	<u>172,440</u>	<u>187,741</u>
Total assets	<u>214,750</u>	<u>207,035</u>
Deferred Outflows of Resources:		
Pension charge	<u>70,469</u>	<u>34,074</u>
Liabilities:		
Current Liabilities:		
Accounts payable	10,409	14,296
Accrued payroll	2,675	1,829
Due to other funds	-	19,337
Accrued compensated absences	<u>1,987</u>	<u>1,404</u>
Total current liabilities	<u>15,071</u>	<u>36,866</u>
Non-current Liabilities:		
Accrued compensated absences	2,634	2,291
Net pension liability	<u>72,320</u>	<u>58,304</u>
Total non-current liabilities	<u>74,954</u>	<u>60,595</u>
Total liabilities	<u>90,025</u>	<u>97,461</u>
Deferred Inflows of Resources:		
Pension charge	<u>30,738</u>	<u>9,463</u>
Net Position:		
Net investment in capital assets	172,440	187,741
Unrestricted	<u>(7,984)</u>	<u>(53,556)</u>
Total net position	<u>\$ 164,456</u>	<u>\$ 134,185</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND - WASTE COLLECTION
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Operating Revenues:				
Charges for services	\$ 257,726	\$ 256,736	\$ (990)	\$ 220,670
Operating Expenses:				
Waste collection:				
Salaries and wages	51,875	53,139	(1,264)	50,683
Employee benefits	31,560	30,836	724	37,573
Services and supplies	142,306	92,037	50,269	133,770
General administration	28,168	34,097	(5,929)	32,072
Bad debt expense	-	254	(254)	461
Depreciation	25,000	30,623	(5,623)	31,193
Total operating expenses	278,909	240,986	37,923	285,752
Operating income (loss)	(21,183)	15,750	36,933	(65,082)
Non-Operating Revenues (Expenses):				
Insurance reimbursement	-	-	-	227,490
Penalties	1,523	2,564	1,041	2,484
Grant	220,000	11,957	(208,043)	-
Total non-operating revenues (expenses)	221,523	14,521	(207,002)	229,974
Change in net position	\$ 200,340	30,271	\$ (170,069)	164,892
Net Position:				
Beginning of year		134,185		(30,707)
End of year		\$ 164,456		\$ 134,185

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For the year ended June 30, 2024

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND - WASTE COLLECTION
COMPARATIVE SCHEDULE OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers	\$ 253,966	\$ 217,262
Cash paid for salaries, wages, and employee benefits	(95,837)	(114,482)
Cash paid for services and supplies	<u>(117,491)</u>	<u>(149,378)</u>
Net cash provided (used) by operating activities	<u>40,638</u>	<u>(46,598)</u>
Cash Flows From Non-Capital Financing Activities:		
Due to/from other funds	<u>(19,337)</u>	<u>(15,902)</u>
Cash Flows From Capital and Related Financing Activities:		
Insurance reimbursement	-	227,490
Grants	11,957	-
Penalties and miscellaneous	2,564	2,484
Purchase of capital assets	<u>(15,322)</u>	<u>(167,474)</u>
Net cash provided (used) by capital and related financing activities	<u>(801)</u>	<u>62,500</u>
Net increase (decrease) in cash and cash equivalents	20,500	-
Cash:		
Beginning of year	-	-
End of year	<u>\$ 20,500</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	<u>\$ 15,750</u>	<u>\$ (65,082)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and amortization	30,623	31,193
(Increase) decrease in accounts receivable	(2,516)	(2,947)
(Increase) decrease in deferred outflows - pension charges	(36,395)	(16,291)
Increase (decrease) in accounts payable	(3,887)	4,885
Increase (decrease) in accrued payroll	846	(3,320)
Increase (decrease) in accrued compensated absences	926	(1,095)
Increase (decrease) in net pension liability	14,016	31,600
Increase (decrease) in deferred inflows - pension charges	<u>21,275</u>	<u>(25,541)</u>
Total adjustments	<u>24,888</u>	<u>18,484</u>
Net cash provided (used) by operating activities	<u>\$ 40,638</u>	<u>\$ (46,598)</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-MOSQUITO ABATEMENT
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Current Assets:		
Cash	\$ 43,746	\$ 47,629
Accounts receivable, net of allowance for uncollectible accounts (\$229)	<u>1,304</u>	<u>1,194</u>
Total current assets	<u>45,050</u>	<u>48,823</u>
Capital Assets:		
Machinery, equipment, and plant	6,223	6,223
Accumulated depreciation	<u>(2,489)</u>	<u>(1,867)</u>
Capital assets, net of accumulated depreciation	<u>3,734</u>	<u>4,356</u>
Total assets	<u>48,784</u>	<u>53,179</u>
Deferred Outflows of Resources:		
Pension charge	<u>716</u>	<u>290</u>
Liabilities:		
Current Liabilities:		
Accounts payable	16	220
Accrued payroll	<u>192</u>	<u>17</u>
Total current liabilities	<u>208</u>	<u>237</u>
Non-current Liabilities:		
Net pension liability	<u>2,157</u>	<u>2,229</u>
Total liabilities	<u>2,365</u>	<u>2,466</u>
Deferred Inflows of Resources:		
Pension charge	<u>81</u>	<u>117</u>
Net Position:		
Net investment in capital assets	3,734	4,356
Unrestricted	<u>43,320</u>	<u>46,530</u>
Total net assets	<u>\$ 47,054</u>	<u>\$ 50,886</u>

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-MOSQUITO ABATEMENT
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024
(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance - Positive (Negative)	2023 Actual
	Budget	Actual		
Operating Revenues:				
Charges for services	\$ 7,500	\$ 7,231	\$ (269)	\$ 7,029
Operating Expenses:				
Mosquito abatement:				
Salaries and wages	561	2,173	(1,612)	262
Employee benefits	381	1,092	(711)	65
Services and supplies	1,000	6,280	(5,280)	-
General administration	1,196	961	235	1,022
Bad debt expense	-	7	(7)	29
Depreciation	625	622	3	622
Total operating expenses	3,763	11,135	(7,372)	2,000
Operating income (loss)	3,737	(3,904)	(7,641)	5,029
Non-Operating Revenues (Expenses):				
Penalties	150	72	(78)	79
Change in net position	\$ 3,887	(3,832)	\$ (7,719)	5,108
Net Position:				
Beginning of year		50,886		45,778
End of year		\$ 47,054		\$ 50,886

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For the year ended June 30, 2024

CITY OF CALIENTE, NEVADA
NONMAJOR FUND - PROPRIETARY FUND - UTILITY ENTERPRISE FUND-MOSQUITO ABATEMENT
COMPARATIVE SCHEDULE OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers	\$ 7,114	\$ 7,100
Cash paid for salaries, wages, and employee benefits	(3,978)	(717)
Cash paid for services and supplies	(7,091)	(550)
Net cash provided (used) by operating activities	(3,955)	5,833
Cash Flows From Capital and Related Financing Activities:		
Penalties and miscellaneous	72	79
Net increase (decrease) in cash and cash equivalents	(3,883)	5,912
Cash:		
Beginning of year	47,629	41,717
End of year	\$ 43,746	\$ 47,629
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (3,904)	\$ 5,029
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and amortization	622	622
(Increase) decrease in accounts receivable	(110)	100
(Increase) decrease in deferred outflows - pension charges	(426)	346
Increase (decrease) in accounts payable	(204)	103
Increase (decrease) in accrued payroll	175	(24)
Increase (decrease) in net pension liability	(72)	1,063
Increase (decrease) in deferred inflows - pension charges	(36)	(1,406)
Total adjustments	(51)	804
Net cash provided (used) by operating activities	\$ (3,955)	\$ 5,833

CITY OF CALIENTE, NEVADA
NONMAJOR PROPRIETARY FUND - BUILDING
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2024 and 2023

	2024	2023
Assets:		
Current Assets:		
Cash	\$ 22,907	\$ 31,231
Liabilities:		
Current Liabilities:		
Accounts payable	<u>-</u>	<u>3,953</u>
Net Position:		
Unrestricted	<u>\$ 22,907</u>	<u>\$ 27,278</u>

CITY OF CALIENTE, NEVADA
NONMAJOR PROPRIETARY FUND - BUILDING
SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2024

(With Comparative Actual Amounts for Year Ended June 30, 2023)

	2024		Variance -	2023
	Budget	Actual	Positive (Negative)	Actual
Operating Revenues:				
Charges for Services:				
Building permits and inspection fees	\$ 32,000	\$ 17,494	\$ (14,506)	\$ 43,455
Operating Expenses:				
Services and supplies	<u>32,000</u>	<u>21,865</u>	<u>10,135</u>	<u>35,332</u>
Change in net position	<u>\$ -</u>	<u>(4,371)</u>	<u>\$ (4,371)</u>	<u>8,123</u>
Net Position:				
Beginning of year		<u>27,278</u>		<u>19,155</u>
End of year		<u>\$ 22,907</u>		<u>\$ 27,278</u>

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For the year ended June 30, 2024

CITY OF CALIENTE, NEVADA
NONMAJOR PROPRIETARY FUND - BUILDING
COMPARATIVE SCHEDULE OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash received from customers	\$ 17,494	\$ 43,455
Cash paid for services and supplies	<u>(25,818)</u>	<u>(33,234)</u>
Net increase (decrease) in cash and cash equivalents	(8,324)	10,221
Cash:		
Beginning of year	<u>31,231</u>	<u>21,010</u>
End of year	<u>\$ 22,907</u>	<u>\$ 31,231</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (4,371)	\$ 8,123
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Increase (decrease) in accounts payable	<u>(3,953)</u>	<u>2,098</u>
Net cash provided (used) by operating activities	<u>\$ (8,324)</u>	<u>\$ 10,221</u>

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For the year ended June 30, 2024

DANIEL C. McARTHUR, LTD.

Certified Public Accountant

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 14, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 through 2024-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Caliente, Nevada's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Caliente City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Las Vegas, Nevada
February 14, 2025

**CITY OF CALIENTE, NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024
Page 1 of 3**

2024-001 Financial Period Close

Material Weakness in Internal Control Over Financial Reporting

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

Condition: Significant accounts were not reconciled timely and the monthly accounting period close was not performed in a timely manner. Revenue and expenditures were posted to incorrect funds and accounts.

Cause of Condition: The City has had a significant employee turnover in City Administration over the past three years.

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

Recommendation: Policy and procedures should be developed and implemented that require the City Administration staff to be cross trained in all financial functions.

Repeat Finding from Prior Year: Yes, 2023-001, 2022-001, 2021-001, 2020-001.

Views of Responsible Officials: City management agrees with the finding and recommendations.

**CITY OF CALIENTE, NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024
Page 2 of 3**

2024-002 Financial Reporting

Material Weakness in Internal Control Over Financial Reporting

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

Condition: Monthly financial statements were not provided to the City Council for the period of July 1, 2023 through June 30, 2024.

Cause of Condition: The City has had a significant employee turnover in City Administration over the past three years.

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

Recommendation: Policy should be implemented that require the City Administration staff be cross trained in all financial functions.

Repeat Finding from Prior Year: Yes, 2023-002, 2022-003, 2021-003, 2020-003.

Views of Responsible Officials: City management agrees with the finding and recommendations.

**CITY OF CALIENTE, NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024
Page 3 of 3**

2024-003 Fund Accounting Controls

Significant Deficiency in Internal Control Over Financial Reporting

Criteria: Internal control for each fund of the City should be under the control of the City Administration and the City Council.

Condition: Financial activity for the Beautification Committee Special Revenue Fund were not under the control of the City Administration and City Council.

Cause of Condition: The petty cash bank account of the Beautification Committee Fund was used as an operating bank account.

Effect: Financial activity of Beautification Committee Fund was not audited by the City Administration and approved by the City Council. Activity during the year was not recorded timely on the books and records of the City and available for the City Council to assess and manage the operations of the Fund. Misappropriation of money could occur.

Context: Amounts not audited by the City Administration and approved by the City Council were donations of \$2,576 and expenditures of \$8,096.

Recommendation: Petty cash procedures for the petty cash bank account should be followed. All revenue received should be remitted to City Administration each month. Expenditures incurred by the petty cash account should be remitted each month to City Administration for audit and reimbursement to the petty cash bank account.

Repeat Finding from Prior Year: Yes, 2023-003, 2022-004

Views of Responsible Officials: City management agrees with the finding and recommendations.

DANIEL C. McARTHUR, LTD.
Certified Public Accountant

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INDEPENDENT AUDITOR'S COMMENTS

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

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caliente, Nevada (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the City failed to comply with the specific requirements of Nevada Revised Statutes referenced below insofar as they relate to accounting matters, except as listed below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes noted below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

Expenditures in Excess of Budget

Nevada Revised Statutes chapter 354.626 requires the City to report expenditures that exceeded budgeted appropriations at the function level for the General Fund, Special Revenue Funds, and Capital Project Funds. Enterprise funds may not exceed budget appropriations at the fund level. As of June 30, 2024, the City had the following fund with expenditures over appropriations:

General Fund – Health and Sanitation Function	\$ 293
Heritage Museum Board Special Revenue Fund – Culture and Recreation Function	\$ 4,688
Tree Board Special Revenue Fund – Culture and Recreation Function	\$ 497
Mosquito Enterprise Fund	\$ 7,372

Quarterly Economic Survey

Chapter 354.6015 of the Nevada Revised Statutes and Nevada Administrative Code 354.559 require the City to file a quarterly financial report with the Nevada Department of Taxation and publish a summary fiscal report in a newspaper of general circulation in the City. Documentation at the City indicates the reports were not timely filed.

CURRENT YEAR STATUTE COMPLIANCE (Continued)

Remittance of Retirement Contributions by Public Employers

Chapter 286.460(3) of the Nevada Revised Statutes requires the City to file payroll reports no later than 15 days after the end of the month together with the remittance of the amount due to the Public Employees Retirement System. The reports and payments for the month of July and August 2023 were filed and paid on October 30, 2023. The reports and payments for the months of October 2023 through January 2024 were filed and paid on March 25, 2024. The monthly reports from March 2024 through June 2024 were timely filed.

Remittance of Room Tax Revenues

Chapter 364.127 of the Nevada Revised Statutes requires room tax revenues that are required to be distributed to the State Treasurer must be paid on or before the last day of the month immediately following the month for which the tax is collected. Monthly tax collection payments to the State for the months of July 2023 through January 2024 were paid in March 2024. The month of March 2024 was paid in May 2024 and the month of May was paid in July 2024.

Capital Asset Inventory

Chapter 354.625 of the Nevada Revised Statutes and Chapter 354.750 of the Nevada Administrative Code require the City to designate a capital asset manager and inventory City equipment at least every two years. Each asset of the City is to be assigned an identifying number and be labeled as belonging to the City.

A physical inventory of capital assets has not been conducted during the past two years.

Identifying numbers and labels have not been timely assigned and attached to asset additions.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

Expenditures in Excess of Budget

Prior year findings included funds/functions that had expenditures in excess of appropriations. Four funds/functions had a similar finding in the current.

Deficit Fund Balance/Net Position

The prior year findings included funds that had deficit fund balance/net position. There were no similar findings in the current year.

CURRENT YEAR RECOMMENDATIONS

See Pages 146 to 148.

PROGRESS ON PRIOR YEAR RECOMMENDATIONS

Financial Period Close

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

Status

Similar findings were noted in the current year.

Revenue and Expenditure Transaction Process

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

Status

Similar findings were noted in the current year.

Financial Reporting

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

Status

Similar findings were noted in the current year.

NEVADA REVISED STATUTE 354.6113 – CAPITAL PROJECTS

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

Capital Expenditures Capital Projects Fund

The City established the Capital Expenditures Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year. Planned sources of revenue for the following year are marijuana special licenses income of \$40,000 and fund balance carryover of \$83,650. Planned expenditures of \$123,650 are for improvements. The City does not plan to accumulate fund balance.

Streets Capital Projects Fund

The City established the Street Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year. Planned sources of revenue for the following year are fund balance carryover of \$10,000 and a transfer in from the General Fund of \$10,000. Planned expenditures of \$20,000 are for improvements. The City does not plan to accumulate fund balance.

NEVADA REVISED STATUTE 354.6113 – CAPITAL PROJECTS (Continued)

Parks Capital Projects Fund

The City established the Parks Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year. Planned sources of revenue for the following year are fund balance carryover of \$10,000 and a transfer in from the General Fund of \$10,000. Planned expenditures of \$20,000 are for improvements. The City does not plan to accumulate fund balance.

Depot Restoration Capital Projects Fund

The City established the Depot Restoration Capital Projects Fund in accordance with Nevada Revised Statutes 354.6113. There were no projects funded during the year. Planned sources of revenue for the following year are fund balance carryover of \$11,079. Planned expenditures of \$11,079 are for improvements. The City does not plan to accumulate fund balance.

NEVADA REVISED STATUTE 354.59815 – SPECIAL AD VALOREM CAPITAL PROJECTS FUND

The City established the Special Ad Valorem Capital Projects Fund in accordance with Nevada Revised Statutes 354.59815. Compliance with Nevada Revised Statutes is contained in Note C1 to the financial statements. The City does not plan to accumulate money in the fund. There were no expenses during the year. Planned sources of revenue for the following year are fund balance carryover of \$41,681 and intergovernmental revenue of \$9,256. Planned expenditures of \$50,937 are for improvements. The City does not plan to accumulate fund balance.

NEVADA REVISED STATUTE 354.5989 – BUSINESS LICENSES

Nevada Revised Statutes 354.624.4(a) requires a schedule of all fees imposed by the City which are subject to the provisions of NRS 354.5989 be addressed by the independent auditor. During the year ended June 30, 2024, the City did not raise fees on business licenses subject to the limitation of NRS 354.5989. The City business license fees are as follows:

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

NEVADA REVISED STATUTE 354.6115 - STABILIZATION FUND

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



Las Vegas, Nevada
February 14, 2025

