
**CITY OF ELKO
STATE OF NEVADA**

**FISCAL YEAR ENDED
June 30, 2013**

CITY OF ELKO
JUNE 30, 2013
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FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council of Elko, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, State of Nevada (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elko, State of Nevada, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, the Schedule of Funding Progress on page 42, the schedules of budgetary comparison and reconciliation information and related notes, on pages 43 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis and the Schedule of Funding Progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The schedules of budgetary comparison and reconciliation information and related notes are the responsibility of management and were derived from and relate

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directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison and reconciliation information and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elko's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Elko as of and for the year ended June 30, 2012 (not presented herein), and have issued our report thereon dated December 18, 2012, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The budgetary comparison and reconciliation information and related notes related to the 2012 financial statements are presented to supplement the basic financial statements as required by Governmental Accounting Standards Board. The combining and individual nonmajor fund statements and schedules related to the 2012 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison and reconciliation information and related notes and the combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison and reconciliation information and related notes and the combining and individual nonmajor fund 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 January 13, 2014, on our consideration of the City of Elko's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Elko's internal control over financial reporting and compliance.

Kafoury, Armstrong & Co.

Elko, Nevada
January 13, 2014

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**City of Elko
Management's Discussion and Analysis
June 30, 2013**

The following management's discussion and analysis (MD & A) is presented to provide the reader with an overview of the financial activity and overall financial condition of the City of Elko.

The MD&A is a component of Required Supplementary Information and introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

Fund Financial Statements

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

Notes to the Financial Statements

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

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

Table 1: Major Features of the Basic Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except Fiduciary Funds)	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private businesses	Instances in which the City is the trustee agent for someone else's resources
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting No measurement focus

Fund Financial Statements

	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Results of operations are not measured

Condensed Statement of Net Position

The largest component \$97,495,539 of the City's net position reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these capital assets are not available for future spending. Restricted net position are the next component, totaling \$1,760,924. Restricted net position represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net position totals \$25,649,577 and is available for the City's operations.

Table 2 below presents the City's condensed statement of net position as of June 30, 2013 with comparisons for June 30, 2012. These are derived from the government-wide Statement of Net Position.

**Table 2: Condensed Statement of Net Position
As of June 30, 2013 and 2012**

	2013 Governmental Activities	2012 Governmental Activities	2013 Business- type Activities	2012 Business- type Activities	Total Primary Government 2013	Total Primary Government 2012
Current and other assets	\$14,722,285	\$11,303,432	\$21,342,701	\$18,378,352	\$ 36,064,986	\$ 29,681,784
Capital assets	38,404,487	39,172,103	73,238,535	68,812,929	111,643,022	107,985,032
Total assets	<u>53,126,772</u>	<u>50,475,535</u>	<u>94,581,236</u>	<u>87,191,281</u>	<u>147,708,008</u>	<u>137,666,816</u>
Other liabilities	2,297,664	1,314,180	1,534,067	916,219	3,831,731	2,230,399
Long-term liabilities	14,867,711	15,335,858	4,102,546	4,293,568	18,970,257	19,629,426
Total liabilities	<u>17,165,375</u>	<u>16,650,038</u>	<u>5,636,613</u>	<u>5,209,787</u>	<u>22,801,988</u>	<u>21,859,825</u>
Net Position:						
Net investment in capital assets	27,396,993	27,692,542	70,098,546	65,434,436	97,495,539	93,126,978
Restricted	1,586,729	1,285,946	174,195	168,183	1,760,924	1,454,129
Unrestricted	<u>6,977,675</u>	<u>4,847,009</u>	<u>18,671,822</u>	<u>16,378,875</u>	<u>25,649,557</u>	<u>21,225,884</u>
Total net position	<u>\$35,961,397</u>	<u>\$33,825,497</u>	<u>\$88,944,623</u>	<u>\$81,981,494</u>	<u>\$124,906,020</u>	<u>\$115,806,991</u>

Condensed Statement of Activities

Table 3 presents the City's condensed statement of activities for the fiscal year ended June 30, 2013, as derived from the government-wide Statement of Activities.

**Table 3: Condensed Statement of Activities
For Fiscal Years Ended June 30, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Totals		Amount Change	% Change
	2013	2012	2013	2012	2013	2012		
Revenues:								
Program revenues:								
Charges for Services	\$2,523,435	\$2,354,146	\$12,577,405	\$11,871,123	\$15,100,840	\$14,225,269	\$875,571	6.16
Operating Grants and Contributions	84,931	245,824	-	17,834	84,931	263,658	(178,727)	-67.79
Capital Grants and Contributions	116,933	58	4,558,063	2,092,400	4,674,996	2,092,458	2,582,538	123.42
General Revenues:								
Ad Valorem Taxes	4,077,622	3,907,600	-	-	4,077,622	3,907,600	170,022	4.35
Consolidated Taxes	13,521,336	13,106,740	-	-	13,521,336	13,106,740	414,596	3.16
Motor Vehicle Fuel Taxes	1,194,363	996,556	-	-	1,194,363	996,556	197,807	19.85
Room Taxes	3,672,581	3,325,202	-	-	3,672,581	3,325,202	347,379	10.45
Gaming Licenses	104,598	106,538	-	-	104,598	106,538	(1,940)	-1.82
Franchise Fees	806,082	816,259	-	-	806,082	816,259	(10,177)	-1.25
Interest Income	7,647	10,497	21,471	18,974	29,118	29,471	(353)	-1.20
Gain on Sale of Assets	-	-	66,232	-	66,232	-	66,232	0.00
Other Taxes	133,118	146,903	-	-	133,118	146,903	(13,785)	100.00
Miscellaneous Revenues	261,392	178,424	-	-	261,392	178,424	82,968	100.00
Total Revenues	26,504,038	25,194,747	17,223,171	14,000,331	43,727,209	39,195,078	4,532,131	11.56
Expenses:								
General government	2,345,599	2,162,412	-	-	2,345,599	2,162,412	183,187	8.47
Judicial	339,637	335,305	-	-	339,637	335,305	4,332	1.29
Public safety	9,536,608	9,019,082	-	-	9,536,608	9,019,082	517,526	5.74
Public works	5,675,615	4,715,183	-	-	5,675,615	4,715,183	960,432	20.37
Health and sanitation	631,755	549,618	-	-	631,755	549,618	82,137	14.94
Culture and recreation	3,824,916	3,580,024	-	-	3,824,916	3,580,024	244,892	6.84
Community support	45,000	29,500	-	-	45,000	29,500	15,500	52.54
Interest on long-term debt	416,998	433,353	-	-	416,998	433,353	(16,355)	-3.77
Water	-	-	2,791,424	2,704,928	2,791,424	2,704,928	86,496	3.20
Sewer	-	-	3,869,239	5,117,806	3,869,239	5,117,806	(1,248,567)	-24.40
Landfill	-	-	1,490,506	1,412,091	1,490,506	1,412,091	78,415	5.55
Airport	-	-	2,990,057	5,063,074	2,990,057	5,063,074	(2,073,017)	-40.94
Golf	-	-	724,961	667,710	724,961	667,710	57,251	8.57
Total Expenses	22,816,128	20,824,477	11,866,187	14,965,609	34,682,315	35,790,086	(1,107,771)	-3.10
Increase(decrease) in net position before transfers and special items	3,687,910	4,370,270	5,356,984	(965,278)	9,044,894	3,404,992	5,639,902	165.64
Special item	-	-	952,000	-	952,000	-	952,000	100.00
Transfers	(654,145)	(2,220,720)	654,145	2,220,720	-	-	-	0.00
Change in net position	3,033,765	2,149,550	6,963,129	1,255,442	9,996,894	3,404,992	6,591,902	193.60
Beginning net position	33,825,497	31,675,947	81,981,494	80,726,052	115,806,991	112,401,999	3,404,992	3.03
Prior period adjustment	(897,865)	-	-	-	(897,865)	-	(897,865)	100.00
Ending net position	\$35,961,397	\$33,825,497	\$88,944,623	\$81,981,494	\$124,906,020	\$115,806,991	\$9,099,029	7.86

Over time, increases and decreases in net position measure whether the City's financial position is improving or deteriorating. Overall the City's total net position increased by \$9,099,029 or 7.9 percent. The net position of the governmental activities increased by \$2,135,900 or by 6.3 percent, and the net position of the business-type activities increased by \$6,963,129, or by 8.5 percent. The following is a breakdown of the major changes that occurred during fiscal year 2013:

The City's general revenues increased by \$1,252,749 or 5.5 percent. The majority of the increase was due to an increase in the consolidated taxes of \$414,596 or 3.2 percent. In the prior two years the consolidated taxes had increased 21.2 percent and 19.0 percent respectively.

The City received a total of \$4,759,927 in grants and capital contributions. The majority of the grant funds received were for the airport and totaled \$2,121,069. The water fund received \$995,068 in connection fees and the sewer fund received \$1,441,926 in connection fees.

The City's transient lodging tax revenues increased by \$347,739 or 10.4 percent. In the two prior years the transient lodging tax increased by 15.2 percent and 20.2 percent respectively.

The sewer fund experienced an overall decrease in expenditures of 24.9 percent due to prior year's maintenance projects being completed and no new maintenance projects being required in the current fiscal year. In addition, capital assets at the water reclamation facility were taken out of service the prior fiscal year and are being replaced by a biological upgrade project in the current fiscal year and following fiscal year.

The County of Elko increased the Regional Transportation Commission fuel taxes by 38.5 percent which increased the City's fuel taxes received by 39 percent. The total revenue received by the City for fiscal year 2013 was \$768,143. These taxes help with the repayment of the 2010 Limited Tax Bonds relating to the Idaho Street Rehabilitation project.

The City has been in litigation for several years over the premature failure of a concrete apron area at the City's municipal airport. Although the judgment was in favor of the City for \$952,000, the actual judgment amount is still in dispute and there may be additional legal costs associated with this case in future fiscal years. There was a \$175,000 transfer to the Airport Fund from the General Fund to pay \$100,000 in litigation expenses and an additional \$75,000 for the replacement of the Airport access control system. The additional expenses associated with the ongoing litigation and the replacement of the access control system required an augmentation to the airport fund as this was an unanticipated expense.

Program Expenses and Revenues for Governmental Activities

Table 4 presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were, therefore, supported by general revenues mainly taxes.

**Table 4: Program Expenses and Revenues
For Governmental Activities
For the Fiscal Year Ended June 30, 2013 and 2012**

<u>City Programs</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Program Expenses (Revenues) (a) 2013</u>	<u>Net Program Expenses (Revenues) (a) 2012</u>
General Government	\$ 2,345,599	\$ 560,890	\$ 1,784,709	\$ 1,645,958
Judicial	339,637	218,990	120,647	132,354
Public Safety	9,536,608	346,197	9,190,411	8,562,168
Public Works	5,675,615	1,078,987	4,596,628	3,748,023
Health	631,755	124,546	507,209	450,220
Culture & Recreation	3,824,916	395,689	3,429,227	3,222,873
Debt Service - interest	416,998	-	416,998	433,353
Community Support	45,000	-	45,000	29,500
Totals	\$22,816,128	\$ 2,725,299	\$20,090,829	\$18,224,449

(a) Net program expenses are mainly supported by taxes.

Program Expenses and Revenues for Business-type Activities

Table 5 presents program expenses and revenues for business-type activities. Program revenues generated from business-type activities were sufficient to cover program expenses.

**Table 5: Program Expenses and Revenues
For Business-type Activities
For the Fiscal Year Ended June 30, 2013 and 2012**

City Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues) 2013	Net Program Expenses (Revenues) 2012
Water Enterprise	\$ 2,791,424	\$ 4,314,479	\$ (1,523,055)	\$ (1,098,630)
Sewer Enterprise	3,869,239	7,168,053	(3,298,814)	(880,621)
Landfill Enterprise	1,490,506	1,816,323	(325,817)	(297,149)
Airport Enterprise	2,990,057	3,106,003	(115,946)	3,218,726
Golf Enterprise	724,961	730,610	(5,649)	41,926
Totals	<u>\$11,866,187</u>	<u>\$17,135,468</u>	<u>\$ (5,269,281)</u>	<u>\$ (984,252)</u>

Overall Analysis

Financial highlights for the City, as a whole, during the fiscal year ended June 30, 2013, include the following:

- The assets of the City exceeded its liabilities (net position) at the close of the fiscal year by \$36 million for governmental activities and by \$88.9 million for business-type activities.
- The City's total net position increased during the year by \$9,099,029 or by 7.9 percent. Net position of governmental activities increased by \$2,135,900 or by 6.8 percent, while net assets of business-type activities increased by \$6,963,129 or by 8.5 percent.

Fund Analysis

Funds that experienced significant changes during the year are as follows:

Governmental Funds

At the close of the fiscal year ending June 30, 2013, the City's governmental funds reported a combined ending fund balance of \$11,764,065, with \$1,414,123 reported as unassigned fund balance, \$4,546,188 reported as assigned for the next year's budget shortfall, \$1,440,860 reported as restricted, \$4,334,927 reported as committed, and the remaining amount of \$27,967 as non-spendable. See Note 1 to the financial statements for an explanation of the different types of fund balance categories.

MAJOR FUNDS:

General Fund

Fund balance at June 30, 2013 totaled \$7,518,407, which includes \$1,529,673 from the revenue stabilization fund. This represents an increase of \$1,096,980 for the general fund or 22.4 percent and an increase of \$269,141 or 21.4 percent for the revenue stabilization fund during the fiscal year. The increase is due to an increase in total revenues of 3.7 percent, the majority of which came from increases in the consolidated taxes of 3.1 percent. There was an increase in overall expenditures of 15.2 percent which consisted mostly of an increase in public works projects specifically street maintenance projects. There was a \$175,000 transfer to the Airport Fund to pay for litigation expenses associated with the premature failure of the concrete apron area at the Elko Regional Airport and an airport access control system. Although the judgment was in favor of the City for \$952,000, the actual judgment amount is still in dispute and there may be additional legal costs associated with this case in future fiscal years. There was a transfer of \$26,630 to the Golf Enterprise Fund and transfers to the Revenue Stabilization Fund, the Capital Equipment Fund and the Facility Reserve Fund of \$267,605, \$401,407 and \$401,407 respectively pursuant to the City's Revenue Stabilization Policy. That brought the total transfers out to \$1,272,049. In fiscal year 2014, the City has budgeted for a transfer out of the General Fund to the Facility Reserve Fund in the amount of \$2,479,533 to help fund the construction of a new police department.

Recreation Fund

Fund balance at June 30, 2013 totaled \$1,097,648 of which \$149,000 is committed for the California Interpretive Center Bond payment for the following year. This is an increase of \$168,322 or 18.1 percent during the fiscal year. The increase is due to an increase of 6.3 percent in transient lodging tax revenues the primary revenue source for the fund. There were capital expenditures of \$517,812 during the fiscal year.

Capital Construction Fund

Fund balance at June 30, 2013 totaled \$410,596, which is a decrease of \$182,069. This was a result of the reconstruction of West Main Street which had a cost of \$876,944 in the current fiscal year. In addition, \$150,000 was expensed to supplement the street maintenance projects in the general fund. This fund has a dedicated fifteen cent tax rate for new streets and street reconstruction projects. These monies are accumulated over several years until such time there are sufficient resources to fund major street construction or reconstruction projects.

NONMAJOR FUNDS:

Revenue Stabilization Fund

Fund balance at June 30, 2013 totaled \$1,529,673 which is an increase \$269,141 or 21.4 percent. There was a budgeted transfer in from the General Fund for \$267,605 pursuant to the City's Revenue Stabilization Policy. This fund was established in 2003 by Elko City Code to help stabilize the revenues of the General Fund in those years when revenues are not received at the anticipated levels.

Ad Valorem Capital Projects Fund

Fund balance at June 30, 2013 totaled \$303,538, which is an increase of \$15,853 or 5.5 percent during the fiscal year. The City Council approved a transfer out in the amount of \$170,222 to the Elko Redevelopment Agency Fund to help fund a rehabilitation project for the downtown corridor. The total revenue received from the 5 cent property tax for capital projects was \$217,309.

Capital Equipment Reserve Fund

Fund balance at June 30, 2013 totaled \$602,177, which is a slight decrease of \$9,830 or 1.6 percent during the fiscal year. The City uses this fund for all major equipment purchases for governmental funds including fire trucks and police squad cars. The City made multiple purchases from this fund in fiscal year 2012/2013; equipment purchases for general government totaled \$459,518 which included the purchase of new software accounting package that encompasses all city functions; equipment purchases for public safety departments totaled \$467,638; equipment purchases for public works departments totaled \$390,558; for health the total was \$7,800; and for culture and recreation the total was \$53,064.

Facility Reserve Fund

Fund balance at June 30, 2013 totaled \$383,786 which is an increase of \$347,303. There was a transfer in from the General Fund in the amount of \$401,407 pursuant to the City's Revenue Stabilization Policy that states that any excess revenues received over the budgeted ending fund balance shall be distributed to the revenue stabilization fund, capital equipment fund and the facility reserve fund in the respective amounts of 25%, 37.5% and 37.5%. There were three projects in this fund, one was the City Hall parking lot lighting project completion, second was the installation of cemetery fencing and the third was the installation of some new doors at the City's swimming pool. Total expenditures for the fund were \$53,971.

Redevelopment Fund

Fund balance at June 30, 2013 totaled \$712,809 which is an increase of \$307,119 or 132.1 percent. There was a transfer in from the Ad Valorem Capital Projects fund in the amount of \$170,222 to help fund the Idaho Street Pavement Project with a total cost of \$481,230 including engineering services to be completed in fiscal year 2014. Total tax revenues for the fund for fiscal year 2013 were \$152,714.

Proprietary Funds

The City's proprietary funds reported net position of \$88,944,623 for fiscal year ending June 30, 2013. Following is a list of the proprietary funds and their respective net position at June 30, 2012 and 2013 with the percentage change.

<u>Fund</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>Change</u>	<u>%Change</u>
Water Enterprise	\$20,260,874	\$21,825,524	\$1,564,650	7.7%
Sewer Enterprise	30,591,402	33,929,242	3,337,840	10.9%
Airport Enterprise	26,889,914	28,467,481	1,577,567	5.9%
Landfill Enterprise	3,112,385	3,439,647	327,262	10.5%
Golf Enterprise	1,126,919	1,282,729	155,810	13.8%
Total Net Position	\$81,981,494	\$88,944,623	\$6,963,129	8.5%

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2013, the City reported \$38.4 million in capital assets for governmental activities and \$73.2 million in capital assets for business-type activities. Major capital asset additions for the governmental activities were \$382,305 for the purchase of a new comprehensive financial software package which included upgrades to the City's computer storage capacity; \$291,467 for the main city park parking lot and roadway rehabilitation project; \$521,713 in public safety vehicles and equipment; \$929,179 in public works projects which included the West Main Street construction project and new traffic signal poles on Idaho Street. In addition there was \$372,091 for public works equipment purchases; \$50,761 for culture and recreation equipment purchases; and \$98,795 for cemetery projects and equipment.

Major capital additions for business-type activities for projects included \$155,545 for the purchase of land for a new well at exit 298; \$119,772 for various equipment purchases in the water fund; \$82,245 for a sewer slip line project; \$355,394 for a new digester gas pipeline at the water reclamation facility (WRF); \$143,113 for various equipment purchases in the Sewer Fund; \$5,051,895 for a biological upgrade at the WRF; \$67,254 for a fencing project at the municipal landfill; \$2,680,146 for the Elko Regional Airport runway 5-23 runway rehabilitation project; and \$99,456 for a new golf cart storage shed at the golf course and \$45,555 in various cultivation equipment purchases for the golf course. Refer to Note 11 to the financial statements for additional information on capital assets.

Long-term Debt Activity

Long-term debt outstanding at June 30, 2013, excluding the annual required contribution for other post-employment benefits, totaled \$16,144,724 a decrease of 3.9 percent when compared to the prior year.

As of June 30, 2013, the City of Elko had a bond rating of A+ from Standard & Poors Rating Services on the Airport Improvement Bonds, Series 2009A and Series 2009B as well as the 2005 Limited Tax Facilities Recreational Bonds and the 2010 Limited Tax Street Bonds. On November 21, 2013, Standard and Poor's Rating Services upgraded the City bond rating to AA- for all bonds currently held by the City.

As of June 30, 2013, the City of Elko had \$14,385,000 of general obligation debt outstanding, which is subject to the legal debt margin. This is well below the legal limit of \$121,390,778 by \$107,005,778. Refer to Note 12 of the financial statements for additional information on long-term debt.

Economic Factors and Next Year's Budget and Rates

The user fees for water users remained unchanged in fiscal year 2013/2014 from fiscal year 2012/2013 for the sixth year. The sewer and landfill user fees remained unchanged from the prior year as there was a slight increase in fiscal year 2012/2013 to help fund minor shortfalls in required resources. All fees are reviewed annually to determine whether increases are required to properly fund operational expenses as well as capital projects for both replacement and new capital purchases.

The consolidated tax revenues increased 3.16 percent for fiscal year 2012/2013. This is the third year the City has experienced increases in the consolidated tax revenues, with the prior two years increases being 19.0 percent and 21.2 percent respectively. In fiscal year 2013/2014 we have begun to see decreases in the consolidated tax revenues and the first four months the decrease has been 11.4 percent but is still 19.2 percent above the budgeted amount for the same period. As consolidated tax revenues make up over 50 percent of the general fund revenues, any fluctuations either positive or negative can have significant impacts on the City's ability to provide the required services to its citizens. It is the City's policy to put most of the excess revenues into one time purchases for much needed improvements in capital projects as well as equipment purchases. This puts the City in a much better situation going forward as we don't increase staffing with the increased consolidated tax revenues. We will monitor all economic situations to determine whether any adjustments need to be made in order to keep the City fiscally sound.

All of these factors were considered in preparing the City of Elko's budget for the 2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the financial activity of the City of Elko to all having an interest in the City of Elko. Questions concerning any of the information provided in this report or requests of additional financial information should be addressed to the City of Elko Finance Department, 1751 College Avenue, Elko, Nevada 89801.

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CITY OF ELKO
STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	\$ 10,614,354	\$ 19,598,644	\$ 30,212,998
Restricted cash	301,135	174,195	475,330
Interest receivable	2,847	5,410	8,257
Accounts receivable	189,436	1,132,976	1,322,412
Room tax receivable	540,773	-	540,773
Taxes receivable, delinquent	74,817	-	74,817
Due from other governments	2,576,450	251,762	2,828,212
Inventory	27,967	108,882	136,849
Deferred charges - bond issue costs	394,506	70,832	465,338
Capital assets:			
Land and construction in progress	1,087,376	7,310,448	8,397,824
Other capital assets (net of accumulated depreciation)	37,317,111	65,928,087	103,245,198
Total Assets	<u>53,126,772</u>	<u>94,581,236</u>	<u>147,708,008</u>
LIABILITIES			
Accounts payable	1,008,398	1,415,695	2,424,093
Accrued salaries	223,737	66,996	290,733
Interest payable	91,132	39,195	130,327
Due to other governments	522,800	-	522,800
Unearned revenue	451,597	11,843	463,440
Other current liabilities	-	338	338
Noncurrent liabilities:			
Due within one year	1,349,568	340,086	1,689,654
Due in more than one year	11,304,578	3,150,492	14,455,070
Net OPEB Liability	2,213,565	611,968	2,825,533
Total Liabilities	<u>17,165,375</u>	<u>5,636,613</u>	<u>22,801,988</u>
NET POSITION			
Net investment in capital assets	27,396,993	70,098,546	97,495,539
Restricted for:			
Debt service	301,135	174,195	475,330
Capital projects	489,176	-	489,176
Public safety	107,962	-	107,962
Redevelopment Agency	541,872	-	541,872
Health insurance claims	146,584	-	146,584
Unrestricted	6,977,675	18,671,882	25,649,557
Total Net Position	<u>\$ 35,961,397</u>	<u>\$ 88,944,623</u>	<u>\$ 124,906,020</u>

See accompanying notes.

**CITY OF ELKO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
General government	\$ 2,345,599	\$ 533,414	\$ -	\$ 27,476
Judicial	339,637	218,990	-	-
Public safety	9,536,608	171,809	84,931	89,457
Public works	5,675,615	1,078,987	-	-
Health	631,755	124,546	-	-
Culture and recreation	3,824,916	395,689	-	-
Community support	45,000	-	-	-
Interest on long-term debt	416,998	-	-	-
Total governmental activities	<u>22,816,128</u>	<u>2,523,435</u>	<u>84,931</u>	<u>116,933</u>
Business-type activities:				
Water	2,791,424	3,319,411	-	995,068
Sewer	3,869,239	5,726,127	-	1,441,926
Landfill	1,490,506	1,816,323	-	-
Airport	2,990,057	984,934	-	2,121,069
Golf	724,961	730,610	-	-
Total business-type activities	<u>11,866,187</u>	<u>12,577,405</u>	<u>-</u>	<u>4,558,063</u>
Total primary government	<u>\$ 34,682,315</u>	<u>\$ 15,100,840</u>	<u>\$ 84,931</u>	<u>\$ 4,674,996</u>

General revenues:

 Taxes
 Ad valorem taxes
 Consolidated tax
 Room taxes
 Gas taxes
 Other
 Gaming licenses
 Franchise fees
 Investment earnings
 Gain on sale of capital asset
 Miscellaneous
 Special item
 Transfers

Total general revenues, special items and transfers

Change in net position

NET POSITION - BEGINNING OF YEAR, as originally reported

Prior period adjustment

NET POSITION - BEGINNING OF YEAR, as restated

NET POSITION - END OF YEAR

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

PRIMARY GOVERNMENT		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (1,784,709)	\$ -	\$ (1,784,709)
(120,647)	-	(120,647)
(9,190,411)	-	(9,190,411)
(4,596,628)	-	(4,596,628)
(507,209)	-	(507,209)
(3,429,227)	-	(3,429,227)
(45,000)	-	(45,000)
(416,998)	-	(416,998)
<u>(20,090,829)</u>	<u>-</u>	<u>(20,090,829)</u>
-	1,523,055	1,523,055
-	3,298,814	3,298,814
-	325,817	325,817
-	115,946	115,946
-	5,649	5,649
<u>-</u>	<u>5,269,281</u>	<u>5,269,281</u>
<u>(20,090,829)</u>	<u>5,269,281</u>	<u>(14,821,548)</u>
4,077,622	-	4,077,622
13,521,336	-	13,521,336
3,672,581	-	3,672,581
1,194,363	-	1,194,363
133,118	-	133,118
104,598	-	104,598
806,082	-	806,082
7,647	21,471	29,118
-	66,232	66,232
261,392	-	261,392
-	952,000	952,000
(654,145)	654,145	-
<u>23,124,594</u>	<u>1,693,848</u>	<u>24,818,442</u>
<u>3,033,765</u>	<u>6,963,129</u>	<u>9,996,894</u>
33,825,497	81,981,494	115,806,991
<u>(897,865)</u>	<u>-</u>	<u>(897,865)</u>
<u>32,927,632</u>	<u>81,981,494</u>	<u>114,909,126</u>
<u>\$ 35,961,397</u>	<u>\$ 88,944,623</u>	<u>\$ 124,906,020</u>

See accompanying notes.

**CITY OF ELKO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	GENERAL	RECREATION FUND	CAPITAL CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	\$ 5,912,165	\$ 1,230,913	\$ 646,455	\$ 2,542,780	\$ 10,332,313
Restricted cash	-	12,433	-	288,702	301,135
Interest receivable	1,657	335	179	676	2,847
Accounts receivable	161,440	-	-	930	162,370
Room tax receivable	-	425,285	-	-	425,285
Taxes receivable, delinquent	43,652	-	10,839	20,326	74,817
Due from other governments	2,164,570	-	5,324	406,556	2,576,450
Inventory	27,967	-	-	-	27,967
Total Assets	\$ 8,311,451	\$ 1,668,966	\$ 662,797	\$ 3,259,970	\$ 13,903,184
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 410,956	\$ 318,654	\$ 18,348	\$ 97,917	\$ 845,875
Accrued salaries	219,373	-	-	4,364	223,737
Due to other governments	5,100	252,664	-	207,292	465,056
Deferred revenue	157,615	-	233,853	212,983	604,451
Total Liabilities	793,044	571,318	252,201	522,556	2,139,119
Fund Balances:					
Nonspendable:					
Inventory	27,967	-	-	-	27,967
Restricted:					
Debt service	-	12,433	-	288,702	301,135
Redevelopment Agency	-	-	-	542,587	542,587
Capital projects	-	-	-	489,176	489,176
Public safety	-	-	-	107,962	107,962
Committed:					
Parks and recreation	-	936,215	-	55,184	991,399
Capital projects	-	-	410,596	602,177	1,012,773
Facility improvements	-	-	-	383,786	383,786
Debt service	-	149,000	-	268,296	417,296
Revenue stabilization	1,529,673	-	-	-	1,529,673
Assigned - next year budget shortfall	4,546,188	-	-	-	4,546,188
Unassigned	1,414,579	-	-	(456)	1,414,123
Total Fund Balances	7,518,407	1,097,648	410,596	2,737,414	11,764,065
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,311,451	\$ 1,668,966	\$ 662,797	\$ 3,259,970	\$ 13,903,184

See accompanying notes.

CITY OF ELKO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$ 11,764,065
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	38,404,487
Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	152,854
Accounts receivable relating to room taxes represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	115,488
Due to other governments related to room taxes due to other entities represents amounts that are not paid until the room taxes are collected, therefore, are not reported in the governmental funds.	(57,744)
An internal service fund is used by management to charge the costs of the self-funded health insurance program for City employees, dependents and retirees. The assets and liabilities of the internal service fund are included in Governmental Activities in the Statement of Net Assets.	146,584
Long-term liabilities, the related accrued interest payable and the annual required contribution for post employment healthcare costs are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(14,564,337)</u>
TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION	\$ <u><u>35,961,397</u></u>

See accompanying notes.

CITY OF ELKO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL	RECREATION FUND	CAPITAL CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 2,473,737	\$ 3,557,093	\$ 625,413	\$ 972,047	\$ 7,628,290
Licenses and permits	2,048,308	-	-	-	2,048,308
Intergovernmental	13,791,267	-	-	1,441,650	15,232,917
Charges for services	870,660	-	-	260,241	1,130,901
Fines and forfeitures	199,833	-	-	-	199,833
Miscellaneous	163,074	28,841	4,748	24,210	220,873
Total Revenues	19,546,879	3,585,934	630,161	2,698,148	26,461,122
EXPENDITURES					
Current:					
General government	2,125,089	-	24,542	25,597	2,175,228
Judicial	339,637	-	-	-	339,637
Public safety	9,165,817	-	-	32,035	9,197,852
Public works	4,031,364	-	150,150	8,975	4,190,489
Health	615,350	-	-	-	615,350
Culture and recreation	1,026,925	2,146,405	-	298,464	3,471,794
Community support	45,000	-	-	-	45,000
Capital outlay	66,596	517,812	924,604	1,463,096	2,972,108
Debt service:					
Principal	-	-	-	480,000	480,000
Interest	-	-	-	411,324	411,324
Total Expenditures	17,415,778	2,664,217	1,099,296	2,719,491	23,898,782
Excess (Deficiency) of Revenues Over Expenditures	2,131,101	921,717	(469,135)	(21,343)	2,562,340
OTHER FINANCING SOURCES (USES)					
Proceeds from disposal of capital assets	-	-	295,066	21,395	316,461
Transfers in	239,464	-	-	1,141,908	1,381,372
Transfers out	(1,004,444)	(753,395)	(8,000)	(170,222)	(1,936,061)
Total Other Financing Sources (Uses)	(764,980)	(753,395)	287,066	993,081	(238,228)
Net Change in Fund Balances	1,366,121	168,322	(182,069)	971,738	2,324,112
FUND BALANCES, July 1	6,152,286	929,326	592,665	1,765,676	9,439,953
FUND BALANCES, June 30	\$ 7,518,407	\$ 1,097,648	\$ 410,596	\$ 2,737,414	\$ 11,764,065

See accompanying notes.

CITY OF ELKO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	\$ 2,324,112
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	130,249
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	438,183
<p>Property taxes and other revenue that are collected in time to pay obligations of the current period are reported as revenue in the fund statements. However, the amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the statement of activities.</p>	(14,828)
<p>Long-term liabilities are not due and payable in the current period, therefore they are not reported in governmental funds. This amount is related to the current year change in the annual required contribution for postemployment healthcare costs.</p>	9,465
<p>Internal service funds are used by management to charge the costs of the self-funded health insurance program for City employees, dependents and retirees to individual funds. The net revenue of internal service funds is reported with governmental activities.</p>	<u>146,584</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES	<u>\$ 3,033,765</u>

See accompanying notes.

CITY OF ELKO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013
(Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER FUND	SEWER FUND	AIRPORT FUND	LANDFILL FUND	NONMAJOR FUND - GOLF
ASSETS					
Current assets:					
Cash and investments	\$ 6,592,542	\$ 10,072,734	\$ 1,078,545	\$ 1,555,097	\$ 299,726
Interest receivable	1,825	2,819	261	427	78
Accounts receivable	312,015	575,167	53,723	188,923	3,148
Due from other governments	-	-	251,762	-	-
Inventory	108,882	-	-	-	-
Deferred charges - bond issue costs	-	-	70,832	-	-
Total Current Assets	7,015,264	10,650,720	1,455,123	1,744,447	302,952
Noncurrent assets:					
Restricted:					
Cash - Debt service	-	-	174,195	-	-
Capital assets:					
Land	573,740	207,668	884,269	2,467	9,045
Buildings	1,669,866	538,048	6,118,636	668,955	777,343
Improvements other than buildings	18,395,771	36,197,848	-	683,466	565,918
Machinery and equipment	1,840,840	2,562,165	3,434,438	2,125,840	623,885
Construction in progress	-	5,546,238	84,909	-	2,112
Infrastructure	-	-	45,109,386	-	-
Less accumulated depreciation	(7,239,402)	(20,464,125)	(25,334,235)	(1,521,509)	(825,047)
Total Capital Assets (Net of Accumulated Depreciation)	15,240,815	24,587,842	30,297,403	1,959,219	1,153,256
Total Noncurrent Assets	15,240,815	24,587,842	30,471,598	1,959,219	1,153,256
Total Assets	22,256,079	35,238,562	31,926,721	3,703,666	1,456,208
LIABILITIES					
Current liabilities:					
Accounts payable	212,060	1,040,121	85,012	46,572	31,930
Accrued salaries	16,736	17,443	7,506	16,918	8,393
Compensated absences	33,212	49,623	21,740	37,310	18,201
Interest payable	-	-	39,195	-	-
Current maturities of bonds payable	-	-	180,000	-	-
Unearned revenue	-	-	11,843	-	-
Other current liabilities	-	-	-	-	338
Total Current Liabilities	262,008	1,107,187	345,296	100,800	58,862

TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
\$ 19,598,644	\$ 282,041
5,410	-
1,132,976	27,066
251,762	-
108,882	-
70,832	-
<u>21,168,506</u>	<u>309,107</u>
<u>174,195</u>	<u>-</u>
1,677,189	-
9,772,848	-
55,843,003	-
10,587,168	-
5,633,259	-
45,109,386	-
(55,384,318)	-
<u>73,238,535</u>	<u>-</u>
<u>73,412,730</u>	<u>-</u>
<u>94,581,236</u>	<u>309,107</u>
1,415,695	162,523
66,996	-
160,086	-
39,195	-
180,000	-
11,843	-
338	-
<u>1,874,153</u>	<u>162,523</u>

CITY OF ELKO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013
(Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER FUND	SEWER FUND	AIRPORT FUND	LANDFILL FUND	NONMAJOR FUND - GOLF
Noncurrent liabilities:					
General obligation bonds payable, net of unamortized discounts	\$ -	\$ -	\$ 3,030,821	\$ -	\$ -
Net OPEB liability	162,539	175,726	83,123	123,933	66,647
Compensated absences	6,008	26,407	-	39,286	47,970
Total Noncurrent Liabilities	<u>168,547</u>	<u>202,133</u>	<u>3,113,944</u>	<u>163,219</u>	<u>114,617</u>
Total Liabilities	<u>430,555</u>	<u>1,309,320</u>	<u>3,459,240</u>	<u>264,019</u>	<u>173,479</u>
NET POSITION					
Net investment in capital assets	15,240,815	24,587,842	27,157,414	1,959,219	1,153,256
Restricted for:					
Debt service	-	-	174,195	-	-
Restricted for group health insurance claims	-	-	-	-	-
Unrestricted	<u>6,584,709</u>	<u>9,341,400</u>	<u>1,135,872</u>	<u>1,480,428</u>	<u>129,473</u>
TOTAL NET POSITION	<u>\$ 21,825,524</u>	<u>\$ 33,929,242</u>	<u>\$ 28,467,481</u>	<u>\$ 3,439,647</u>	<u>\$ 1,282,729</u>

<u>TOTAL ENTERPRISE FUNDS</u>	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND</u>
\$ 3,030,821	\$ -
611,968	-
<u>119,671</u>	<u>-</u>
<u>3,762,460</u>	<u>-</u>
<u>5,636,613</u>	<u>162,523</u>
70,098,546	-
174,195	-
-	146,584
<u>18,671,882</u>	<u>-</u>
<u>\$ 88,944,623</u>	<u>\$ 146,584</u>

See accompanying notes.

CITY OF ELKO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER FUND	SEWER FUND	AIRPORT FUND	LANDFILL FUND	NONMAJOR FUND - GOLF
OPERATING REVENUES					
Intergovernmental	\$ -	\$ -	\$ 25,856	\$ -	\$ -
Charges for services	3,250,297	2,775,634	252,211	1,746,627	717,707
Other services	69,114	22,605	706,867	69,696	12,903
Total Operating Revenues	3,319,411	2,798,239	984,934	1,816,323	730,610
OPERATING EXPENSES					
Salaries and wages	635,656	648,387	299,814	491,774	254,074
Employee benefits	293,140	284,511	118,943	208,834	101,204
Services and supplies	1,387,170	1,579,128	341,977	682,493	313,442
Depreciation	475,458	1,357,213	1,960,872	107,405	56,241
Total Operating Expenses	2,791,424	3,869,239	2,721,606	1,490,506	724,961
Operating Income (Loss)	527,987	(1,071,000)	(1,736,672)	325,817	5,649
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	5,982	13,593	180	1,445	271
Gain (loss) from disposal of capital assets	35,613	25,433	4,686	-	500
Sewer improvement user fees	-	2,927,888	-	-	-
Apron failure expense	-	-	(102,207)	-	-
Amortization expense	-	-	(7,976)	-	-
Interest expense	-	-	(158,268)	-	-
Total Nonoperating Revenues (Expenses)	41,595	2,966,914	(263,585)	1,445	771
Income (Loss) Before Capital Contributions, Special Items and Transfers	569,582	1,895,914	(2,000,257)	327,262	6,420
CAPITAL CONTRIBUTIONS	995,068	1,441,926	2,121,069	-	99,456
SPECIAL ITEM	-	-	952,000	-	-
TRANSFERS IN	-	-	504,755	-	49,934
Change in Net Position	1,564,650	3,337,840	1,577,567	327,262	155,810
NET POSITION, July 1	20,260,874	30,591,402	26,889,914	3,112,385	1,126,919
NET POSITION, June 30	\$ 21,825,524	\$ 33,929,242	\$ 28,467,481	\$ 3,439,647	\$ 1,282,729

TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
\$ 25,856	\$ -
8,742,476	1,599,103
881,185	-
<u>9,649,517</u>	<u>1,599,103</u>
2,329,705	-
1,006,632	1,452,519
4,304,210	-
3,957,189	-
<u>11,597,736</u>	<u>1,452,519</u>
<u>(1,948,219)</u>	<u>146,584</u>
21,471	-
66,232	-
2,927,888	-
(102,207)	-
(7,976)	-
(158,268)	-
<u>2,747,140</u>	<u>-</u>
798,921	146,584
4,657,519	-
952,000	-
554,689	-
<u>6,963,129</u>	<u>146,584</u>
<u>81,981,494</u>	<u>-</u>
<u>\$ 88,944,623</u>	<u>\$ 146,584</u>

See accompanying notes.

CITY OF ELKO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013
(Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER FUND	SEWER FUND	AIRPORT FUND
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,262,808	\$ 2,673,092	\$ 984,162
Cash received from interfund services provided	20,889	28,685	-
Cash payments to suppliers for goods and services	(1,425,206)	(1,438,098)	(301,681)
Cash payments to employees for services and benefits	(943,223)	(941,436)	(424,828)
Cash payments for airport apron failure litigation expenses	-	-	(172,866)
Cash received from group insurance premiums	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>915,268</u>	<u>322,243</u>	<u>84,787</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	504,755
Transfers out	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>504,755</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(397,427)	(4,992,299)	(2,269,934)
Principal paid on debt	-	-	(167,672)
Interest paid on debt	-	-	(159,756)
Proceeds from sales of capital assets	35,613	25,433	4,686
Proceeds from arbitration settlement	-	-	952,000
Cash received from capital improvement user fees	-	2,927,888	-
Proceeds from federal grants	-	-	1,881,342
Receipt of customer contributions	995,068	1,441,926	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>633,254</u>	<u>(597,052)</u>	<u>240,666</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	9,542	21,082	217
Net Cash Provided (Used) by Investing Activities	<u>9,542</u>	<u>21,082</u>	<u>217</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,558,064	(253,727)	830,425
CASH AND CASH EQUIVALENTS, July 1	<u>5,034,478</u>	<u>10,326,461</u>	<u>422,315</u>
CASH AND CASH EQUIVALENTS, June 30	<u>\$ 6,592,542</u>	<u>\$ 10,072,734</u>	<u>\$ 1,252,740</u>
CASH AND CASH EQUIVALENTS CONSIST OF:			
Restricted cash and cash equivalents	\$ -	\$ -	\$ 174,195
Unrestricted cash and cash equivalents	<u>6,592,542</u>	<u>10,072,734</u>	<u>1,078,545</u>
Total Cash and Cash Equivalents	<u>\$ 6,592,542</u>	<u>\$ 10,072,734</u>	<u>\$ 1,252,740</u>

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
LANDFILL	NONMAJOR	TOTAL ENTERPRISE	ACTIVITIES
FUND	FUND - GOLF	FUNDS	INTERNAL
			SERVICE FUND
\$ 1,748,064	\$ 728,661	\$ 9,396,787	\$ -
33,945	-	83,519	-
(670,664)	(299,347)	(4,134,996)	(1,289,996)
(691,972)	(348,033)	(3,349,492)	-
-	-	(172,866)	-
-	-	-	1,572,037
<u>419,373</u>	<u>81,281</u>	<u>1,822,952</u>	<u>282,041</u>
-	49,934	554,689	-
-	-	-	-
-	49,934	554,689	-
(76,682)	(45,554)	(7,781,896)	-
-	-	(167,672)	-
-	-	(159,756)	-
-	500	66,232	-
-	-	952,000	-
-	-	2,927,888	-
-	-	1,881,342	-
-	-	2,436,994	-
<u>(76,682)</u>	<u>(45,054)</u>	<u>155,132</u>	<u>-</u>
<u>2,225</u>	<u>438</u>	<u>33,504</u>	<u>-</u>
<u>2,225</u>	<u>438</u>	<u>33,504</u>	<u>-</u>
344,916	86,599	2,566,277	282,041
<u>1,210,181</u>	<u>213,127</u>	<u>17,206,562</u>	<u>-</u>
\$ <u>1,555,097</u>	\$ <u>299,726</u>	\$ <u>19,772,839</u>	\$ <u>282,041</u>
\$ -	\$ -	\$ 174,195	\$ -
<u>1,555,097</u>	<u>299,726</u>	<u>19,598,644</u>	<u>282,041</u>
\$ <u>1,555,097</u>	\$ <u>299,726</u>	\$ <u>19,772,839</u>	\$ <u>282,041</u>

CITY OF ELKO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013
(Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER FUND	SEWER FUND	AIRPORT FUND
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH PROVIDED (USED) BY			
OPERATING ACTIVITIES:			
Operating income (loss)	\$ 527,987	\$ (1,071,000)	\$ (1,736,672)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	475,458	1,357,213	1,960,872
Net OPEB liability	(724)	(737)	(341)
Apron failure litigation expenses	-	-	(172,866)
(Increase) Decrease in:			
Accounts receivable	(34,914)	(96,462)	(1,938)
Due from other governments	-	-	3,075
Inventory	(2,400)	-	-
Increase (Decrease) in:			
Accounts payable	(35,636)	141,030	40,296
Accrued liabilities	2,193	551	296
Compensated absences	(15,896)	(8,352)	(6,026)
Unearned income	(800)	-	(1,909)
	<u>\$ 915,268</u>	<u>\$ 322,243</u>	<u>\$ 84,787</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>915,268</u>	\$ <u>322,243</u>	\$ <u>84,787</u>
NONCASH CAPITAL ACTIVITIES:			
Assets transferred to Golf Fund from the Recreation Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
<u>LANDFILL</u>	<u>NONMAJOR</u>	<u>TOTAL ENTERPRISE</u>	<u>ACTIVITIES</u>
<u>FUND</u>	<u>FUND - GOLF</u>	<u>FUNDS</u>	<u>INTERNAL</u>
			<u>SERVICE FUND</u>
\$ 325,817	\$ 5,649	\$ (1,948,219)	\$ 146,584
107,405	56,241	3,957,189	-
(559)	(289)	(2,650)	-
-	-	(172,866)	-
(34,314)	(1,949)	(169,577)	(27,066)
-	-	3,075	-
-	-	(2,400)	-
11,829	14,095	171,614	162,523
6,145	1,011	10,196	-
3,050	6,523	(20,701)	-
-	-	(2,709)	-
<u>\$ 419,373</u>	<u>\$ 81,281</u>	<u>\$ 1,822,952</u>	<u>\$ 282,041</u>
<u>\$ -</u>	<u>\$ 99,456</u>	<u>\$ 99,456</u>	<u>\$ -</u>

See accompanying notes.

CITY OF ELKO
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	<u>AGENCY FUND</u>
ASSETS	
Cash and investments	\$ -
Interest receivable	-
Room taxes receivable	-
	<hr/>
Total Assets	\$ <u><u>-</u></u>
LIABILITIES	
Accounts payable	\$ -
Due to other governments	-
	<hr/>
Total Liabilities	\$ <u><u>-</u></u>

See accompanying notes.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Elko, State of Nevada (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

REPORTING ENTITY:

The City of Elko was incorporated April 15, 1917. The City is a municipal corporation governed by an elected mayor and four members of the City Council. The City is fiscally independent of all other governmental entities and is not a component unit of another entity.

The financial statements present the reporting entity, which consists of the City and its blended component unit, an entity for which the City is considered to be financially accountable. The blended component unit is, in substance, part of the City's operations, even though it is a separate legal entity. Thus the following blended component unit is appropriately presented as a fund of the primary government.

The Elko Redevelopment Agency

Although legally separate from the City of Elko, the Elko Redevelopment Agency is governed by a Board comprised of the City Council and Mayor.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements report information on all of the activities of the primary government. Services provided by the General Fund to other funds are reported as expenditures or expenses, as appropriate, in the funds receiving the services and as reductions of expenditures in the General Fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a function or business-type activity are offset by program revenues. Direct expenses are those that are associated with a specific function or business-type activity. 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 business-type activity and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for *governmental*, *proprietary* and *fiduciary* fund categories are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Fiduciary funds are not included in the government-wide statements as those resources are not available to fund the activities of the City.

Proprietary fund operating revenues, such as charges for services and operating expenses, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings and nonoperating expenses result from nonexchange transactions or ancillary activities.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:

The government-wide financial statements are reported using the *economic resources measurement focus*, and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liabilities are 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits and claims and judgments, are recorded only when payment is due.

Property taxes, consolidated tax revenue (sales taxes, cigarette taxes, government services tax, and liquor taxes), gaming taxes, gasoline taxes 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. Licenses and permits, franchise fees, charges for services and fines and forfeits are not susceptible to accrual because generally they are not measurable until received in cash.

Property tax revenue is recognized in the fiscal year in which the taxes become due to the extent they are collected during the fiscal year or soon enough thereafter that they can be used to finance current period expenditures.

The City reports deferred revenue in the fund financial statements balance sheets. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Expenses relating to the functional activities include allocated indirect expenses. The City allocates indirect costs of general and administrative departments to the Proprietary Funds, except the Airport Fund, based on 5 year averages of expenditures and time studies.

As a general rule, the effect of interfund activity has been eliminated from the government-wide and proprietary fund financial statements. Exceptions to this general rule are charges between the government's proprietary funds for use of services and indirect cost allocations. Eliminations of these charges would distort the direct costs and program revenues, and costs of operations reported for the various functions and programs concerned.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then the unrestricted as they are needed. The City uses a five year average of audited expenses to allocate general and administrative salaries.

The City reports the following major governmental funds:

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

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

The **Recreation Fund** is a special revenue fund used to account for room tax monies received for the purposes of providing recreation improvements.

The **Capital Construction Fund** is used to account for projects financed from property taxes, land sales, and operating transfers.

The City reports the following major enterprise funds:

The **Water Fund** accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operating, maintenance, and billing and collection.

The **Sewer Fund** accounts for the provision of sanitary sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services, and billing and collection.

The **Airport Fund** accounts for the operation of the Elko Regional Airport. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance and improvement, financing and related debt service, and billing and collection (including collection of passenger facility charges).

The **Landfill Fund** accounts for the operation of the regional landfill. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services, and billing and collection.

Additionally, the City reports the following fund types:

Internal Service Fund accounts for operations of providing health insurance to City of Elko employees, retirees and their dependents on a cost reimbursement basis.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agent capacity. Agency funds were closed in the current fiscal year.

CASH, CASH EQUIVALENTS AND INVESTMENTS:

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 that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk in changes of value. Cash balances from all funds are combined and, to the extent practicable, invested by the City administration as permitted by law. Investments are recorded at fair value. The City of Elko invests in the State of Nevada Local Government Investment Pool, which has regulatory oversight from the Board of Finance for the State of Nevada. All interest earned on these investments is recognized in the General Fund, except for amounts credited to certain other funds in accordance with law, contract and City policy.

State statutes authorize the City to invest in obligations of the U.S. Treasury; certain farm loan bonds; certain securities issued by Nevada local governments and other state and local governments; certain obligations of an Agency of the United States or a corporation sponsored by the government; certain repurchase agreements; certain bankers acceptances; certain commercial paper; and certain negotiable certificates of deposits and money market mutual funds, as well as the State of Nevada Local Government Investment Pool.

The following investments are allowed but must not exceed 20% of the total portfolio at the purchase date and 25% of such investments may not be in notes, bonds or unconditional obligations issued by any one corporation:

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

- Certain notes, bonds and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States.
- Collateralized mortgage obligations "AAA" rated.
- Asset-backed securities "AAA" rated.

Bond covenants require resources be set aside to make future debt payments, these are reported as restricted cash.

INTERFUND RECEIVABLES AND PAYABLES:

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

ACCOUNTS RECEIVABLE:

No allowance for doubtful accounts receivable has been established since management does not anticipate any material collection loss with respect to the balances shown as accounts receivable.

PROPERTY TAXES:

All real property within the City of Elko is assigned a parcel number by the County Assessor in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The property and its improvements are being assessed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of legislative action, the tax rate was further limited to \$3.64 per \$100 of assessed valuation, except in cases of severe financial emergency as defined by NRS 354.705. In 2005 the Nevada State Legislature passed Assembly Bill 489 which provides for a partial abatement of the ad valorem taxes levied on qualified property. For qualified property, the abatement will limit the increase of property taxes based on the previous year's assessed value.

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

Taxes may be paid in four installments, the first installment is due on the third Monday of August and the remaining three installments are payable on the first Monday in October, January and March to the Treasurer of Elko County in which the City of Elko is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if the taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner or such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale. As such, real property taxes receivable reflect only those taxes receivable from the delinquent roll years, and current taxes collected within 60 days of year end and delinquent taxes from all roll years to 2010-11 have been written off. No provision for uncollectable accounts has been established, as management does not anticipate any material collection losses with respect to the remaining balances.

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

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

INVENTORIES AND PREPAID ITEMS:

Inventories for the Proprietary Funds and certain governmental funds are valued at cost on a first-in, first-out basis. Inventories of other governmental funds are recorded as expenditures when consumed rather than purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CAPITAL ASSETS:

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund statements. Capital assets are defined as those assets with an initial cost of \$5,000 or more and an estimated useful life of more than three years. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded at cost including capitalized interest incurred during the construction phase on debt-financed projects for business-type activities. Depreciation is computed using the straight-line method for all assets over the following estimated useful lives:

Buildings	10 to 100 years
Improvements other than buildings	8 to 100 years
Machinery and equipment	3 to 50 years
Infrastructure	15 to 100 years

COMPENSATED ABSENCES:

The liability for compensated absences is calculated under the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. All vacation time, sick leave benefits and compensatory time costs are accrued and recognized as expenses when earned, to the extent it is likely the City will ultimately pay those benefits. The costs of unused vacation and sick leave are not recorded in the governmental fund financial statements but are in the government-wide financial statements.

LONG-TERM DEBT:

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related bond.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts are recorded as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

EQUITY CLASSIFICATIONS:

In the government-wide statements, equity is classified as net position and displayed in three components:

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** – Consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or law or regulations of other governments; (2) law through constitutional provisions or enabling legislation. Net position restricted for capital projects consists of the ending fund balance in the Ad Valorem Capital Projects Fund.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental fund financial statements, fund equity is classified as fund balance. Fund balance components are based primarily on a hierarchy designed to reflect constraints on the use of those amounts. Fund balance is classified into the following components:

- **Nonspendable** – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.
- **Committed** – Amounts that can only be used for specific purposes. Committed fund balance is established and may only be rescinded or changed pursuant to ordinances passed by the City Council, which is the City of Elko’s highest level of decision making authority.
- **Assigned** – Amounts that the City of Elko intends to use for a specific purpose, that do not meet the definition of restricted or committed fund balance. Under the City’s adopted policy, amounts may be assigned by the Director of Administrative Services and reviewed and approved by the City Manager. Any funds assigned must be reported to the City Council at their next regular meeting.
- **Unassigned** – all other spendable amounts in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless, the City Council has provided otherwise in its commitment or assignment actions.

USE OF ESTIMATES:

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

COMPARATIVE DATA/RECLASSIFICATIONS:

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements and schedules in order to provide an understanding of the changes in financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION:

The governmental fund balance sheet includes a reconciliation between *total fund balances – governmental funds* and *total net position of governmental activities*. One element of that reconciliation explains that long-term liabilities and the related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds. The details of the net difference follows:

Bonds payable, inclusive of bond premium	\$ (11,402,000)
Accrued interest	(91,132)
Bond issuance costs	394,506
Compensated absences	(1,252,146)
Net OPEB liability	<u>(2,213,565)</u>
Net Difference in Reporting Long-Term Liabilities	<u>\$ (14,564,337)</u>

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND 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 change in fund balances – governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference follows:

Capital outlay	\$ 2,894,913
Disposition of capital assets	(335,653)
Transfer of capital assets to nonmajor Golf Fund	(99,456)
Depreciation expense	<u>(2,329,555)</u>
Net Difference in Reporting Capital Asset Activity	<u>\$ 130,249</u>

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

Net change in accrued interest	\$ 2,259
Net change in compensated absences	(36,143)
Amortization of bond issuance costs and bond premium	(7,933)
Principal repayments:	
General obligation debt	<u>480,000</u>
Net Difference in Reporting Long-Term Debt Transactions	<u>\$ 438,183</u>

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

BUDGETARY INFORMATION:

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

1. On or before April 15, the City Council files a tentative budget with the Nevada Department of Taxation for all funds other than Agency Funds, which are not required to be budgeted.
2. Public budget hearings on the tentative budget are held on the third Tuesday in May.
3. On or before June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the City Council. The final budget must then be forwarded to the Nevada Department of Taxation for review and approval.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations lapse at year end.
6. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the budget officer and/or the City Council, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the City Council, following a scheduled and noticed public hearing for those funds which have ad valorem tax allocated as a source of revenue. For all other funds the City Council must approve the budget augmentation with a majority vote and adopt a resolution providing therefore.
7. The above dates may be adjusted as necessary during legislative years.
8. The budget amounts reflected in the financial statements have been amended from the original amounts in accordance with the above procedures.

In accordance with state statute, actual expenditures may not exceed budgeted appropriations of the various governmental functions (excluding the debt service function) of the General Fund, Special Revenue Funds and Capital Project Funds. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments, and other long-term contracts expressly authorized by law. For Proprietary Funds, the sum of operating and nonoperating expenses may not exceed the sum of budgeted operating and nonoperating expenses.

EXCESS OF EXPENDITURES/EXPENSES OVER APPROPRIATIONS:

Total expenditures exceeded those budgeted for the year in the following funds:

General Fund – public safety function	\$ 7,610
Youth Recreation Fund	12,414
Golf Fund	9,291

The above are potential violations of Nevada Revised Statute 354.626. The City plans to monitor expenditures/expenses in 2013-2014 to help prevent potential violations.

DEFICIT FUND BALANCES:

As of June 30, 2013 the Narcotics Task Force Fund has a deficit fund balance of \$456.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4 - EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS:

The City maintains a cash and investment pool that is available for use by all funds. A summary schedule of cash and investments for the City of Elko at June 30, 2013, is as follows:

Balances Classified by Depository and Category:

Cash on hand	\$	2,890
Deposits:		
U.S. Bank:		
Demand deposit		11,770,055
		11,772,945
Investments:		
Nevada State Treasurer:		
NVEST		4,915,383
Local Government Pooled Investment Fund (LGIP)		14,000,000
		\$ 30,688,328
Governmental Activities – cash and investments	\$	10,614,354
Business-type Activities – cash and investments		19,598,644
Business-type Activities – restricted cash		174,195
Governmental Activities – restricted cash		301,135
		\$ 30,688,328
Total Cash and Investments:	\$	30,688,328

As of June 30, 2013, the City of Elko had the following investment and maturities:

Investment Type	Fair Value	Less than 1 Year	1-5 Years
LGIP *	\$ 14,000,000	\$ 14,000,000	\$ -
Federal Home Loan Bank	2,934,054	970,421	1,963,633
Federal Farm Credit Bank	979,372	495,328	484,044
Federal National Mortgage	487,263	-	487,263
U.S. Treasury Notes	514,694	514,694	-
	\$ 18,915,383	\$ 15,980,443	\$ 2,934,940

*Average weighted maturity
– 97 days.

The City is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The City's investment in the LGIP is equal to its original investment plus monthly allocations of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The City's investment in the LGIP is reported at fair value.

Nevada Revised Statutes (NRS 355.170) sets forth acceptable investments for Nevada local governments. The City has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

Interest rate risk – the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. As noted above, the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statute.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Credit risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligation and its function of the credit quality rating of its investments. The City’s investment policy does not specify minimum acceptable credit rating further than those listed in state statutes. The LGIP is an unrated external investment pool that specifies minimum acceptable credit ratings for its investments.

Concentration of credit risk – the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Securities held by the City or by the City’s custodians are diversified to eliminate risk of loss from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At June 30, 2013, the City investment in Federal Home Loan Bank Notes and the Federal Farm Credit Bank Notes exceeded 5% of the City’s total investments.

Custodial Credit Risk – the risk that in the event of a bank failure, the City’s deposits may not be returned. The City’s bank deposits are either covered by Federal Deposit Insurance Corporation (FDIC) or are collateralized by the office of the State Treasurer/Nevada Collateral Pool. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of outside parties.

NOTE 5 – INTERFUND BALANCES:

The composition of interfund transfers as of June 30, 2013 is as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
Major Governmental Funds:		
General Fund	\$ 1,004,444	\$ 239,464
Recreation Fund	852,851	-
Capital Construction Fund	8,000	
Nonmajor Governmental Funds	170,222	1,141,908
Major Proprietary Funds:		
Airport Fund	-	504,755
Nonmajor Proprietary Funds:		
Golf Fund	-	149,390
	<u>\$ 2,035,517</u>	<u>\$ 2,035,517</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use revenues collected in the various funds to finance programs accounted for in other funds in accordance with budgetary authorization. The transfers to the nonmajor golf fund included a transfer of capital assets totaling \$99,456 from the Major Recreation Fund.

NOTE 6 – AD VALOREM CAPITAL PROJECTS FUND:

Pursuant to NRS 354.598155, the City of Elko is required to provide the Ad Valorem Capital Projects Fund expenditures. For June 30, 2013, \$35,694 was expended for traffic poles at 12th and Idaho Street and \$170,222 was transferred to the Redevelopment Agency Fund to help fund the Idaho Street Paver Project.

NOTE 7 - LANDFILL FUND CLOSURE AND POSTCLOSURE CARE COSTS:

State and federal laws and regulations require the City of Elko to place a final cover and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Each year the City reassesses the life of the landfill, in the current year an analysis was obtained based on the August 2012 airspace volumetric topographical survey. This assessment resulted in an expected landfill closure in the year 2096, with the available soil being depleted by the year 2087. Based on this survey, an estimate of 5.5% of the landfill has been used. The City purchased insurance to cover the costs of closure and post-closure of the landfill. The City is obligated under the insurance policy to pay 15 annual installments of \$91,139; the last payment is due in 2014. At June 30, 2013, financial assurance relative to costs of closure and post-closure of the landfill was fulfilled through insurance coverage (NAC 444.6855).

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8 – PRIOR PERIOD ADJUSTMENT:

The beginning fund balance for the governmental activities was adjusted by \$897,865 due to the City of Elko selling several land parcels in fiscal years 2000 and 2006. The land was not removed from the City's capital asset listing in either of the years in which the disposals occurred resulting in a prior period adjustment for the basis in the land.

NOTE 9 – SPECIAL ITEM:

On May 9, 2012 the City was awarded by arbitration \$702,000 for breach of contract and \$250,000 for negligence concerning a defective apron construction project at the Elko Regional Airport. Due to the significance of this amount, and it is infrequent in occurrence, it has been reported as a special item.

NOTE 10 – RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters, as are all entities.

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

The City pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool 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 general aggregate per member. Property, crime and equipment breakdown is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown and money and securities.

In addition, the City carries an airport liability policy and a workers compensation policy through a third party carrier.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

The City has chosen to establish a risk financing fund for risks associated with the employee's health insurance fund. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. A premium is charged to each function which accounts for part-time and/or full time employees.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

<u>Self-Insurance – Health</u>	Unpaid Claims, Beginning of Fiscal Year	Incurred Claims (Including IBNR's)	Claim Payments	Unpaid Claims, End of Fiscal Year
2012-2013	\$ -	\$1,452,519	\$(1,289,996)	\$162,523
2011-2012	-	-	-	-

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Reclassification
Governmental Activities:		
Capital assets, not being depreciated:		
Land	\$ 1,261,998	\$ (879,865)
Construction in progress	541,906	-
	1,803,904	(879,865)
Total capital assets, not being depreciated		
Capital assets, being depreciated:		
Buildings	5,353,364	-
Improvements other than buildings	6,871,072	-
Equipment and motor vehicles	9,744,301	-
Infrastructure	34,660,707	-
	56,629,444	-
Total capital assets, being depreciated		
Less accumulated depreciation for:		
Buildings	1,892,132	-
Improvements other than buildings	1,956,489	-
Equipment and motor vehicles	3,867,488	-
Infrastructure	11,545,136	-
	19,261,245	-
Total accumulated depreciation		
Total capital assets, being depreciated, net	37,368,199	-
Governmental activities capital assets, net	\$ 39,172,103	\$ (879,865)
Business-Type Activities:		
Capital assets, not being depreciated:		
Land and water rights	\$ 1,521,645	-
Construction in progress	1,038,544	-
	2,560,189	-
Total capital assets, not being depreciated		
Capital assets, being depreciated:		
Buildings	9,673,392	-
Improvements other than buildings	55,332,666	-
Machinery and equipment	10,259,168	-
Infrastructure	42,429,240	-
	117,694,466	-
Total capital assets, being depreciated		
Less accumulated depreciation for:		
Buildings	3,857,232	-
Improvements other than buildings	24,368,918	-
Machinery and equipment	4,394,826	-
Infrastructure	18,820,750	-
	51,441,726	-
Total accumulated depreciation		
Total capital assets, being depreciated, net	66,252,740	-
Business-type activities capital assets, net	\$ 68,812,929	\$ -

Additions and Transfers In	Deletions and Transfers Out	Completed Construction	Balance June 30, 2013
\$ -	\$ (266,000)	\$ -	\$ 116,133
<u>551,076</u>	<u>(99,456)</u>	<u>(22,283)</u>	<u>971,243</u>
551,076	(365,456)	(22,283)	1,087,376
5,560	-	-	5,358,924
59,335	-	-	6,930,407
1,349,763	(292,735)	22,283	10,823,612
<u>929,179</u>	<u>-</u>	<u>-</u>	<u>35,589,886</u>
2,343,837	(292,735)	22,283	58,702,829
79,326	-	-	1,971,458
275,963	-	-	2,232,452
677,839	(205,082)	-	4,340,245
<u>1,296,427</u>	<u>-</u>	<u>-</u>	<u>12,841,563</u>
2,329,555	(205,082)	-	21,385,718
14,282	(87,653)	22,283	37,317,111
<u>\$ 565,358</u>	<u>\$ (453,109)</u>	<u>\$ -</u>	<u>\$ 38,404,487</u>
\$ 155,544	\$ -	\$ -	\$ 1,677,189
<u>7,712,499</u>	<u>-</u>	<u>(3,117,784)</u>	<u>5,633,259</u>
7,868,043	-	(3,117,784)	7,310,448
99,456	-	-	9,772,848
72,699	-	437,638	55,843,003
342,596	(14,596)	-	10,587,168
<u>-</u>	<u>-</u>	<u>2,680,146</u>	<u>45,109,386</u>
514,751	(14,596)	3,117,784	121,312,405
101,892	-	-	3,959,124
1,639,095	-	-	26,008,013
461,048	(14,596)	-	4,841,278
<u>1,755,153</u>	<u>-</u>	<u>-</u>	<u>20,575,903</u>
3,957,188	(14,596)	-	55,384,318
<u>(3,442,437)</u>	<u>-</u>	<u>3,117,784</u>	<u>65,928,087</u>
<u>\$ 4,425,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,238,535</u>

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CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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

Governmental Activities:

General government	\$ 152,285
Public safety	373,803
Public works	1,500,331
Culture and recreation	280,945
Health	22,191

Total depreciation expense - governmental activities \$ 2,329,555

Business-type Activities:

Water Fund	\$ 475,458
Sewer Fund	1,357,213
Airport Fund	1,960,872
Landfill Fund	107,405
Golf Fund	56,241

Total depreciation expense - business-type activities \$ 3,957,189

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 - CHANGES IN LONG-TERM DEBT:

	DATE OF ISSUE	ORIGINAL ISSUE AMOUNT	INTEREST RATE
<u>Governmental Activities:</u>			
General Obligation Bonds:			
General Government:			
2005 Limited Tax Facilities Recreational Bonds (secured by pledged revenues)	8/25/2005	\$ 2,000,000	4.00%
2010 Limited Tax Street Bonds (secured by pledged revenues)	10/5/2010	10,500,000	3.70%
		12,500,000	
Bond premium - 2010 Limited Tax Street Bonds	N/A	N/A	N/A
Compensated absences	N/A	N/A	N/A
Total Governmental Activities		12,500,000	
<u>Business-Type Activities:</u>			
General Obligation (Limited Tax) Bonds:			
Airport Fund:			
Airport Improvement Bonds, Series 2009A and Series 2009B	12/1/2009	3,735,000	2.00% to 5.50%
Bond discount - Airport Improvement Bonds	N/A	N/A	N/A
Compensated absences	N/A	N/A	N/A
Total Business-Type Activities		3,735,000	
Total Debt		\$ 16,235,000	

<u>FINAL MATURITY DATE</u>	<u>PRINCIPAL OUTSTANDING JULY 1, 2012</u>	<u>ISSUED DURING PERIOD</u>	<u>PRINCIPAL PAID DURING PERIOD</u>	<u>PRINCIPAL OUTSTANDING JULY 1, 2013</u>	<u>PRINCIPAL DUE IN 2013-2014</u>
6/1/2025	\$ 1,510,000	\$ -	\$ 85,000	\$ 1,425,000	\$ 90,000
10/1/2030	<u>10,115,000</u>	<u>-</u>	<u>395,000</u>	<u>9,720,000</u>	<u>405,000</u>
	<u>11,625,000</u>	<u>-</u>	<u>480,000</u>	<u>11,145,000</u>	<u>495,000</u>
N/A	<u>271,827</u>	<u>-</u>	<u>14,827</u>	<u>257,000</u>	<u>-</u>
N/A	<u>1,216,003</u>	<u>940,860</u>	<u>904,717</u>	<u>1,252,146</u>	<u>854,568</u>
	<u>13,112,830</u>	<u>940,860</u>	<u>1,399,544</u>	<u>12,654,146</u>	<u>1,349,568</u>
10/1/2026	3,410,000	-	170,000	3,240,000	180,000
N/A	(31,507)	-	(2,328)	(29,179)	-
N/A	<u>300,457</u>	<u>174,050</u>	<u>194,750</u>	<u>279,757</u>	<u>160,086</u>
	<u>3,678,950</u>	<u>174,050</u>	<u>362,422</u>	<u>3,490,578</u>	<u>340,086</u>
	<u>\$ 16,791,780</u>	<u>\$ 1,114,910</u>	<u>\$ 1,761,966</u>	<u>\$ 16,144,724</u>	<u>\$ 1,689,654</u>

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

On December 1, 2009, the City issued \$1,830,000 in General Obligation (Limited Tax) Airport Refunding Bonds, Series 2009A, with an interest rate ranging from 2.00 to 4.75 percent and \$1,905,000 in General Obligation (Limited Tax) Airport Refunding Bonds, Series 2009B, with an interest rate ranging from 4.00 to 5.50 percent. Final payments for Series 2009A and Series 2009B Bonds are due on October 1, 2026. A portion of the proceeds, together with other available funds, were used to currently refund the \$2,490,000 aggregate principal amount of the General Obligation (Limited Tax) Airport Improvement Bonds, Series 1999A and \$1,175,000 aggregate principal amount of the General Obligation (Limited Tax) Airport Improvement Bonds, Series 1999B.

The City is amortizing the Series 2009A and Series 2009B bond costs on a straight-line basis over the life of the bonds. Amortization of bond costs follow:

	<u>June 30, 2013</u>
Original	\$ 89,297
Less: Accumulated amortization	<u>18,465</u>
Net	<u>\$ 70,832</u>

On October 5, 2010 the City issued \$10,500,000 in General Obligation (Limited Tax) Street Bonds, Series 2010, with an interest rate of 3.7%. Final payments for Series 2010 Street Bonds are due in October 2030. The bonds are to be used for the Idaho and 12th Street Road Improvement Project. The bond issuance resulted in a bond premium of \$296,539 which the City is amortizing over the life of the bonds on a straight-line basis. The City has a Cooperative Agreement with the Elko County Regional Transportation Commission to receive the City's allocation of the 6.5 cent motor vehicle fuel tax to go towards the principal and interest payments on this bond.

The City is amortizing the Series 2010 Street Bond costs on a straight-line basis over the life of the bonds. Amortization of bond costs follow:

	<u>June 30, 2013</u>
Original	\$ 455,199
Less: Accumulated amortization	<u>60,693</u>
Net	<u>\$ 394,506</u>

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

The annual requirements to amortize all debt outstanding as of June 30, 2013, are as follows:

Year Ended June 30,	General Obligation (Limited Tax) Supported by Specific Revenues	
	Principal	Interest
Governmental Activities:		
2014	495,000	399,924
2015	505,000	388,174
2016	520,000	375,812
2017	535,000	360,899
2018	555,000	341,349
2019-2023	3,145,000	1,355,009
2022-2028	3,285,000	741,226
2027-2032	2,105,000	128,500
	<u>\$ 11,145,000</u>	<u>\$ 4,090,893</u>
Business-type Activities:		
2014	180,000	153,405
2015	180,000	146,430
2016	190,000	138,911
2017	190,000	130,836
2018	205,000	122,055
2019-2023	1,160,000	452,482
2022-2027	1,135,000	125,823
	<u>\$ 3,240,000</u>	<u>\$ 1,269,942</u>
	<u>\$ 14,385,000</u>	<u>\$ 5,360,835</u>

Compensated absences and postemployment benefits typically have been liquidated by the General and Enterprise Funds.

The City is in compliance with all significant limitations and restrictions contained in the various bond indentures.

The City was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2013.

To provide for the next year payment of principal and interest for the \$2,000,000 2005 Limited Tax Facilities Recreational Bond, the City has pledged their room tax monies. The proceeds from this bond were used to help cover capital costs at the California Trails Interpretive Center. The bonds are payable solely from the City of Elko's 4% portion of the room tax revenue. The room tax funds were projected to produce 529% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$1,847,828, payable through June 2025. For the current year, principal and interest paid and total incremental room tax revenues were \$147,567 and \$1,182,120, respectively.

To provide for the next year payment of principal and interest for the Series 2009A and 2009B \$3,735,000 Airport Improvement Bonds, the City has pledged their room tax monies. The bonds are payable from the City of Elko's 2% portion of the room tax revenue. The 2% room tax is in addition to the 4% room tax for the California Trail Interpretive Center Facilities Recreational Bond. The room tax funds were projected to produce 121% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$4,509,942, payable through October 2026. For the current year, principal and interest paid and total incremental room tax revenues were \$329,755 and \$591,060, respectively.

To provide for the next year payment of principal and interest for the Series 2010 Limited Tax Street Bonds, the City has pledged 15% of consolidated tax monies. The proceeds from this bond were used to cover the costs of the Idaho and 5th Street Reconstruction costs. The consolidated tax funds were projected to produce 1.76% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$13,388,065, payable through October 2030. For the current year, principal and interest paid and total incremental 15% of consolidated tax revenues were \$743,756 and \$2,028,200, respectively.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 13 - RETIREMENT PLAN:

Plan Description - The City of Elko contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

Funding Policy - Plan members' benefits are funded under the employer pay contribution plan, where the City is required to contribute all amounts due under the plan. The contribution requirements of plan members and the City are established by Chapter 286 of the Nevada Revised Statutes. Funding requirements may only be amended through legislation. The City's contribution rates and amounts contributed, which equaled required contributions, for the last three years are as follows:

Fiscal Year	Regular Members	Police and Fireman	Total Contribution
2012-13	23.75%	39.75%	\$ 2,886,735
2011-12	23.75%	39.75%	2,714,565
2010-11	21.50%	37.00%	2,494,124

NOTE 14 - DEFERRED COMPENSATION PLAN:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Investments are managed by the plan's trustee under one of five investment options, or a combination thereof. The choice of the investment option is made by the participants. The assets of the plan are held in trust and for the exclusive benefits of plan participants and their beneficiaries. Therefore, in accordance with GASB 32, the assets are not recorded as an Agency Fund of the City.

NOTE 15 – POSTEMPLOYMENT HEALTHCARE PLANS:

Plan Description: The City administers a self-insured healthcare plan with Anthem Blue Cross. Additionally the City contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired City employees and beneficiaries.

Benefit provisions for the City's self-insured plan are established pursuant to NRS 287.023 and can be amended between the City and the respective associations. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the City's group health insurance plan. Retirees are required to pay 100% of the premiums under the plan. Since retiree premium rates are the same as active retirees (blended) and implicit subsidy exists. As of June 30, 2013, 3 retirees were using the plan. The plan does not issue publicly available financial reports.

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. City employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under PEBP. NRS 287.023 sunsetted the option to join PEBP for retirees who retired from the City after November 28, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the Plan. As of June 30, 2013 65 City retirees were utilizing this benefit. The PEBP issues a publicly available financial report that includes financial statements. That report may be obtained by writing to Public Employee's Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV 89701, by calling (775) 684-7000, or by accessing the website at www.pebp.state.nv.us/informed/financial.htm.

Funding Policy:

For the City's self insured plan, contribution requirements of the plan members and the City are established and may be amended through negotiations between the City and the associations. Retirees pay 100% of the premium. The City did not prefund any future benefits.

For PEBP NRS 287.046 establishes the subsidies to be contributed toward the premium costs of eligible retired City employees. 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. The unsubsidized premiums for retirees range from \$602 to \$836, depending on the plan chosen. Retirees qualify for a subsidy of \$118 at five years of service and \$650 at 20 years of service with incremental increases for years in between. The contribution requirements of plan members and the City are established and may be 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 2013, the City contributed \$263,823 to the PEBP plan for 65 retired employees, equal to its required contributions. The City did not prefund any future benefits.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

For fiscal year 2013 the City's annual OPEB cost (expense) of \$251,708 for the PEBP was equal to the ARC plus interest and ARC adjustments. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2012, and 2011 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (Projected Unit Credit Cost Method)</u>	<u>Employer Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 251,708	\$263,823	104.81%	\$2,825,533
June 30, 2012	\$ 518,351	\$292,882	56.51%	\$2,837,648
June 30, 2011	\$1,157,460	\$306,222	26.46%	\$2,612,179

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the PEBP:

Annual required contribution	\$ 294,459
Interest on net OPEB obligation	142,017
Amortization Adjustment to ARC	(184,768)
Annual OPEB cost (expense)	251,708
Contribution made	(263,823)
Decrease in net OPEB obligations	(12,115)
Net OPEB obligation, beginning of year	2,837,648
Net OPEB obligation, end of year	<u>\$ 2,825,533</u>

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

The actuary combined both plans in their calculation, therefore information on each plan is unavailable. As the participation in the City's plan is so small, their portion is deemed immaterial at this time.

Funded Status and Funding Progress: The City's most recent actuarial valuation was as of July 1, 2012, and as of the end of the current fiscal year the City has not prefunded any portion of the plan. Because the City of Elko terminated its participation from PEBP for active employees as of July 1, 2012 and became partially self-insured, its actuarial accrued liability (AAL) for benefits dropped to \$3,770,070 at June 30, 2013, down from \$5,562,427 at June 30, 2012. Having not funded the obligation, the City currently has no associated assets to offset this liability. Because of this, the unfunded actuarial accrued liability (UAAL) is equal to the AAL. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$9.9 million and the ratio of the UAAL to the covered payroll was 38%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5% discount rate, which is a standard rate for unfunded plans such as the City's. The healthcare trend rate used for 2012 was 9%, declining 1% per year through 2016. After 2016, the rate used was 5%. The assumptions reflect an implicit rate of general inflation of 5% per year.

The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization period is 30 years.

NOTE 16 – STABILIZATION ARRANGEMENTS:

On May 14, 2002 the City Council adopted a Revenue Stabilization Fund Policy under NRS 354.6115. A fund was established to stabilize the operations of the City and mitigate the effects of natural disasters. The monies in the fund must be used only if the total actual revenues of the City falls short of the total anticipated revenue in the General Fund for the fiscal year in which the City uses the money, or to pay expenses incurred by the City to mitigate the effects of a natural disaster. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Revenue Stabilization Fund no longer meets the definition of a Special Revenue Fund and it has been combined with the General Fund.

NOTE 17 - COMMITMENTS AND CONTINGENT LIABILITIES:

There are several lawsuits filed against the City at June 30, 2013. These lawsuits are not anticipated to materially affect the City of Elko if an unfavorable outcome is received or the entity's legal counsel cannot reasonably estimate them.

On January 9, 2002 the City of Carlin, the City of Elko and Elko County entered into a cooperative agreement to provide financial resources for the water-line extension for the University of Nevada-Reno Fire Academy located on the outskirts of the City of Carlin. The project was deemed beneficial to the economy of the three governmental entities. The water line was completed in the June 30, 2003 fiscal year and is property of the City of Carlin. The project was funded by a federal grant of up to \$1,000,000 obtained by the City of Carlin. This grant required matching funds of 25%. Therefore, a loan of \$350,000 was obtained by the City of Carlin from the U.S. Department of Agriculture, Rural Development Agency. The cooperative agreement provides that the City of Elko and Elko County will each reimburse the City of Carlin one-third of the annual loan payment. This loan carries a maximum interest rate of 5 1/8% per year, payable over a period of 40 years in annual payments

CITY OF ELKO
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

of \$20,748. The City of Elko and Elko County have each agreed to pay the City of Carlin the maximum sum of \$6,916 per year until the loan is paid in full or for a maximum of 40 years. A surcharge fee will be charged by the City of Carlin for every water user who connects to the new water line within a period of 40 years. The proceeds collected from this fee will be used to equally reimburse the City of Elko and Elko County for any payments made by them. The surcharge fee collected by the City of Carlin for 2012-2013 was insufficient to pay the City's portion of the loan, therefore the City paid \$6,800 to the City of Carlin.

On May 9, 2012 the City was awarded by arbitration \$702,000 for breach of contract and \$250,000 for negligence concerning a defective apron construction project at the Elko Regional Airport. Arbitration also ruled that neither party was entitled to arbitration costs or attorney fees. Both parties in the arbitration contested the Arbitration Panel's denial of their claims for an award of attorney's fees and costs, and both parties have filed motions with the Elko County District Court to vacate the portion of the award denying such fees and costs. The District Court denied the appeal for both parties. In March 2013 both parties appealed the District Court's denial of their claims for attorney's fees to the Nevada Supreme Court. After an unsuccessful attempt to settle the Nevada Supreme Court appeal is currently pending. The total attorney's fees and other costs such as consultants since lawsuit began in 2007 is approximately \$3.5 million.

On September 25, 2012 the City approved a construction contract for the Wastewater Reclamation Facility Plan Upgrade Project totaling \$5,666,000; the City is anticipating the total project including construction, engineering, design and project oversight to be approximately \$9 million. The project will be paid for with funds available in the Sewer Fund and \$5,468,893 (including aerators discussed below) has been spent as of June 30, 2013.

On March 12, 2013 the City approved a contract for 60% of the aerators at the Wastewater Reclamation Facility totaling \$1,050,275, upon shipment the remaining \$700,183 was to be paid for the aerators. The aerators will be paid for with available funds in the Sewer Fund and \$1,400,366 has been spent as of June 30, 2013.

On April 23, 2013 the City awarded a contract for the Main City Park Parking Lot Reconstruction Project totaling \$427,427, \$291,467 was spent as of June 30, 2013. The project will be paid for with funds available in the Recreation Fund.

On May 14, 2013, the City awarded a contract for the Idaho Street Paver Project. This project was completed on 10/22/2013 for \$420,015. This project was paid for with funds available from in the Redevelopment Agency Fund.

On May 28, 2013 the City approved a contract for the Elko Regional Airport Runway Phase II Project for \$1,592,592, dependent upon funding from the FAA. The FAA portion is 93.75%, the remaining portion of the project will be paid for with funds available in the Airport Fund.

On June 25, 2013 the City approved the Public Works Department Street Maintenance Project 2013, the project was completed in August 2013 for \$244,663. The project will be paid for with funds available in the General Fund.

NOTE 18 – SUBSEQUENT EVENTS:

On July 23, 2013 the City approved a contract for a new wheel loader for \$253,525. The project will be paid for with funds available in the Landfill Fund.

On August 27, 2013 the City approved a contract for the West Idaho Street Project for \$371,050. The project will be paid for with funds available in the Capital Construction Fund.

On September 10, 2013 the City approved a contract for the Elko Regional Airport AIP 43 Reconstruct Terminal Ramp Phase 3 Project for \$1,839,702, dependent upon funding from the FAA. The FAA portion is 56.25%, the remaining portion of the project will be paid for with funds available in the Airport Fund.

On October 8, 2013 the City approved an engineering contract for the Elko Regional Airport AIP 43 Reconstruct Terminal Ramp Phase 3 for \$215,000. The FAA portion is 56.25%, the remaining portion of the project will be paid for with funds available in the Airport Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELKO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2013

Schedule of Funding Progress - Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Normal Age Entry (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
7/1/2009	\$ -	\$ 10,927,597	\$ 10,927,597	0.00%	\$ 10,100,000	108.19%
7/1/2011	-	5,562,427	5,562,427	0.00%	9,900,000	56.19%
7/1/2012	-	3,770,070	3,770,070	0.00%	9,900,000	38.08%

Note: GASB 45 was prospectively implemented FYE June 30, 2009; therefore prior year information is not available.

Trend Data:

Change - 2009 to 2011 valuation (AAL):

In 2011/2012 the City was notified of a significant drop in subsidies to be paid to PEBP. Therefore the City had an actuarial valuation performed for July 1, 2011, which shows the City's AAL decreased to \$5,562,427, partly as a result of this reduced subsidy amount.

Change 2011 to 2012 valuation (AAL):

As of July 1, 2012, the City's AAL has decreased to \$3,370,070, down from \$5,562,427 in the prior year. This is mainly due to the City's decision to withdraw from PEPB for active employees and become partially self-insured. As such, the PEBP program is closed to all active employees of the City of Elko.

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 1 of 6)

REVENUES	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Taxes:			
Ad valorem	\$ 2,457,126	\$ 2,457,126	\$ 2,473,737
Licenses and permits:			
Business licenses:			
Business licenses	470,000	470,000	533,414
Liquor licenses	65,750	65,750	67,755
Gambling licenses	104,000	104,000	104,598
Other licenses:			
Animal licenses	4,500	4,500	5,094
Bicycle licenses	10	10	6
Franchise fees:			
Television/Cable	104,000	104,000	32,230
Natural gas	175,000	175,000	148,421
Water and sewer right of way	240,000	240,000	215,979
Electricity	344,000	344,000	363,262
Geothermal	3,000	3,000	4,109
Telephone	45,000	45,000	42,081
Permits:			
Building permits	225,000	225,000	531,359
	<u>1,780,260</u>	<u>1,780,260</u>	<u>2,048,308</u>
Intergovernmental:			
Grants:			
Juvenile justice and delinquency prevention grant	60,000	60,000	21,494
Bulletproof vest partnership program	-	-	-
Traffic safety enforcement	-	25,000	7,139
Enforcement of Underage Drinking laws	-	13,946	339
Bomb squad grant	-	-	54,736
Emergency Management Planning Grant	-	25,000	27,574
Law Enforcement Grants	63,946	-	-
Tree Inventory Assessment Grant	-	14,475	14,475
Equipment Grant	-	34,721	34,721
State shared revenues:			
Fuel tax - county option	123,016	123,016	116,904
Fuel tax - 1.75	141,717	141,717	132,514
Fuel tax - 2.35	252,262	252,262	242,333
Cigarette tax	80,990	80,990	77,667
Liquor tax	23,822	23,822	23,126
Basic city / county relief tax	-	2,059,504	2,445,451
Supplemental city / county relief tax	8,954,814	6,895,310	8,866,934
Government services tax	1,363,953	1,363,953	1,403,960
SIIS	-	-	36,035
County shared revenues:			
Gaming tax	118,631	118,631	133,118
Real property transfer tax	86,977	86,977	108,809
Other:			
Court administrative assessments	9,500	9,500	8,022
Narcotics seizure revenue	-	-	7,297
Local Law Enforcement Reimbursements	48,720	48,720	28,619
	<u>11,328,348</u>	<u>11,377,544</u>	<u>13,791,267</u>

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
\$ <u>16,611</u>	\$ <u>2,373,842</u>
63,414	516,396
2,005	75,362
598	106,538
594	4,089
(4)	6
(71,770)	48,390
(26,579)	164,430
(24,021)	204,581
19,262	350,526
1,109	4,164
(2,919)	44,168
<u>306,359</u>	<u>395,120</u>
<u>268,048</u>	<u>1,913,770</u>
(38,506)	65,546
-	4,650
(17,861)	10,132
(13,607)	1,980
54,736	939
2,574	25,657
-	-
-	-
-	-
(6,112)	108,868
(9,203)	134,993
(9,929)	243,068
(3,323)	80,297
(696)	24,527
385,947	2,371,208
1,971,624	8,556,386
40,007	1,395,163
36,035	11,421
14,487	146,903
21,832	104,023
(1,478)	7,676
7,297	14,349
<u>(20,101)</u>	<u>91,444</u>
<u>2,413,723</u>	<u>13,399,230</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 2 of 6)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Charges for services:			
Community development fees:			
Zoning fees	15,000	15,000	43,775
Plan checking fees	150,000	150,000	145,757
Other fees	500	7,860	-
Public works fees:			
Street lighting fees	235,000	235,000	243,970
Storm water management fees	109,800	109,800	114,126
Public safety fees:			
Fingerprinting fees	10,000	10,000	10,293
Other fees	63,260	55,900	57,845
Recreation fees:			
Swimming pool fees	116,875	116,875	115,147
Park concession fees	250	250	350
Park use fees	17,000	17,000	19,945
Health fees:			
Animal shelter fees	73,290	73,290	71,202
Cemetery sales	12,300	12,300	23,300
Grave openings	18,000	18,000	24,950
	<u>821,275</u>	<u>821,275</u>	<u>870,660</u>
Fines and forfeitures:			
Forensic service fines	5,500	5,500	5,206
Municipal court fines	195,750	195,750	191,567
Bail bond fees and other	2,000	2,000	3,060
	<u>203,250</u>	<u>203,250</u>	<u>199,833</u>
Miscellaneous:			
Investment earnings	2,500	2,500	2,899
Rent - general	1,779	1,779	850
Public defender reimbursements	2,500	2,500	4,674
Street cut revenue	5,000	5,000	8,986
Private donations	10,000	50,000	42,476
Other	70,485	70,485	101,653
	<u>92,264</u>	<u>132,264</u>	<u>161,538</u>
Total Revenues	<u>16,682,523</u>	<u>16,771,719</u>	<u>19,545,343</u>
EXPENDITURES			
General government:			
Administration:			
Salaries and wages	355,915	357,415	355,788
Employee benefits	158,820	148,820	144,626
Services and supplies	210,287	230,287	212,279
	<u>725,022</u>	<u>736,522</u>	<u>712,693</u>
Central Services - Insurance:			
Employee benefits	392,500	307,500	300,022
Services and supplies	234,000	159,000	148,132
	<u>626,500</u>	<u>466,500</u>	<u>448,154</u>

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
28,775	26,840
(4,243)	198,181
(7,860)	-
8,970	236,471
4,326	110,548
293	9,226
1,945	64,550
(1,728)	115,326
100	200
2,945	19,715
(2,088)	71,334
11,000	9,200
6,950	14,775
<u>49,385</u>	<u>876,366</u>
(294)	5,451
(4,183)	178,009
1,060	2,020
<u>(3,417)</u>	<u>185,480</u>
399	2,157
(929)	850
2,174	2,676
3,986	6,714
(7,524)	827
31,168	88,238
<u>29,274</u>	<u>101,462</u>
<u>2,773,624</u>	<u>18,850,150</u>
1,627	343,659
4,194	134,812
18,008	150,962
<u>23,829</u>	<u>629,433</u>
7,478	304,444
10,868	171,872
<u>18,346</u>	<u>476,316</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 3 of 6)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Clerk:			
Salaries and wages	127,850	127,850	127,538
Employee benefits	60,075	60,075	58,312
Services and supplies	44,537	34,537	33,463
	<u>232,462</u>	<u>222,462</u>	<u>219,313</u>
Information systems:			
Salaries and wages	89,500	89,500	84,683
Employee benefits	38,510	38,510	36,585
Services and supplies	129,625	149,625	142,181
	<u>257,635</u>	<u>277,635</u>	<u>263,449</u>
Personnel:			
Salaries and wages	55,000	56,000	55,372
Employee benefits	21,910	21,910	21,752
Services and supplies	58,612	38,612	35,393
	<u>135,522</u>	<u>116,522</u>	<u>112,517</u>
Finance:			
Salaries and wages	104,950	108,950	107,220
Employee benefits	50,650	50,650	47,876
Services and supplies	40,074	42,574	42,464
	<u>195,674</u>	<u>202,174</u>	<u>197,560</u>
Planning / zoning:			
Salaries and wages	122,500	100,500	99,835
Employee benefits	53,150	43,150	41,876
Services and supplies	25,050	18,550	9,772
Capital Outlay	-	6,500	6,357
	<u>200,700</u>	<u>168,700</u>	<u>157,840</u>
Economic development:			
Services and supplies	20,800	20,800	19,920
Total General Government	<u>2,394,315</u>	<u>2,211,315</u>	<u>2,131,446</u>
Judicial:			
Municipal court:			
Services and supplies	391,000	346,000	339,637
Total Judicial	<u>391,000</u>	<u>346,000</u>	<u>339,637</u>
Public safety:			
Police:			
Salaries and wages	3,162,340	3,252,340	3,250,734
Employee benefits	1,862,350	1,834,350	1,824,060
Services and supplies	841,000	925,721	945,606
Capital outlay	-	25,000	60,239
	<u>5,865,690</u>	<u>6,037,411</u>	<u>6,080,639</u>

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
312	125,185
1,763	54,421
<u>1,074</u>	<u>17,756</u>
<u>3,149</u>	<u>197,362</u>
4,817	44,974
1,925	18,838
<u>7,444</u>	<u>110,561</u>
<u>14,186</u>	<u>174,373</u>
628	41,997
158	15,834
<u>3,219</u>	<u>58,494</u>
<u>4,005</u>	<u>116,325</u>
1,730	96,444
2,774	43,837
<u>110</u>	<u>33,113</u>
<u>4,614</u>	<u>173,394</u>
665	50,022
1,274	16,194
8,778	42,413
<u>143</u>	<u>-</u>
<u>10,860</u>	<u>108,629</u>
<u>880</u>	<u>19,920</u>
<u>79,869</u>	<u>1,895,752</u>
<u>6,363</u>	<u>335,305</u>
<u>6,363</u>	<u>335,305</u>
1,606	3,032,351
10,290	1,633,176
(19,885)	834,647
<u>(35,239)</u>	<u>-</u>
<u>(43,228)</u>	<u>5,500,174</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 4 of 6)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Fire Downtown Station:			
Salaries and wages	19,000	19,000	16,365
Employee benefits	430	480	436
Services and supplies	29,150	29,150	12,874
	<u>48,580</u>	<u>48,630</u>	<u>29,675</u>
ARFF facility:			
Salaries and wages	1,694,900	1,744,900	1,743,547
Employee benefits	982,450	962,900	958,256
Services and supplies	444,625	414,625	408,135
	<u>3,121,975</u>	<u>3,122,425</u>	<u>3,109,938</u>
Southside fire station:			
Services and supplies	9,980	9,980	5,804
Total Public Safety	<u>9,046,225</u>	<u>9,218,446</u>	<u>9,226,056</u>
Public works:			
Highways / streets:			
Salaries and wages	659,775	639,775	632,947
Employee benefits	294,200	294,200	282,912
Services and supplies	1,307,375	1,347,375	1,339,034
	<u>2,261,350</u>	<u>2,281,350</u>	<u>2,254,893</u>
Engineering:			
Salaries and wages	70,000	73,000	71,906
Employee benefits	28,835	29,835	29,234
Services and supplies	103,900	88,900	85,716
	<u>202,735</u>	<u>191,735</u>	<u>186,856</u>
Fleet maintenance:			
Salaries and wages	252,200	264,200	261,788
Employee benefits	116,650	117,650	117,209
Services and supplies	74,690	49,690	48,489
	<u>443,540</u>	<u>431,540</u>	<u>427,486</u>
Facilities:			
Salaries and wages	196,945	187,945	186,816
Employee benefits	93,100	93,100	90,315
Services and supplies	326,700	326,700	284,850
	<u>616,745</u>	<u>607,745</u>	<u>561,981</u>
Building inspection:			
Salaries and wages	233,350	223,350	218,093
Employee benefits	100,750	100,750	95,320
Services and supplies	73,960	123,960	122,375
	<u>408,060</u>	<u>448,060</u>	<u>435,788</u>

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
2,635	20,695
44	437
<u>16,276</u>	<u>14,059</u>
<u>18,955</u>	<u>35,191</u>
1,353	1,679,743
4,644	864,606
<u>6,490</u>	<u>337,165</u>
<u>12,487</u>	<u>2,881,514</u>
<u>4,176</u>	<u>6,727</u>
<u>(7,610)</u>	<u>8,423,606</u>
6,828	587,750
11,288	238,196
<u>8,341</u>	<u>619,642</u>
<u>26,457</u>	<u>1,445,588</u>
1,094	68,278
601	27,411
<u>3,184</u>	<u>47,433</u>
<u>4,879</u>	<u>143,122</u>
2,412	270,525
441	98,630
<u>1,201</u>	<u>42,873</u>
<u>4,054</u>	<u>412,028</u>
1,129	172,264
2,785	69,752
<u>41,850</u>	<u>280,041</u>
<u>45,764</u>	<u>522,057</u>
5,257	172,527
5,430	72,876
<u>1,585</u>	<u>95,230</u>
<u>12,272</u>	<u>340,633</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 5 of 6)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Community Development:			
Salaries and wages	96,650	96,650	95,995
Employee benefits	38,550	38,550	38,069
Services and supplies	92,750	42,750	30,296
	<u>227,950</u>	<u>177,950</u>	<u>164,360</u>
Total Public Works	<u>4,160,380</u>	<u>4,138,380</u>	<u>4,031,364</u>
Health:			
Animal shelter:			
Salaries and wages	194,950	225,450	224,916
Employee benefits	104,150	109,150	108,174
Services and supplies	121,720	121,720	112,341
	<u>420,820</u>	<u>456,320</u>	<u>445,431</u>
Cemetery:			
Salaries and wages	108,515	111,515	110,627
Employee benefits	47,560	46,560	43,823
Services and supplies	17,100	17,100	15,469
	<u>173,175</u>	<u>175,175</u>	<u>169,919</u>
Total Health	<u>593,995</u>	<u>631,495</u>	<u>615,350</u>
Culture and recreation:			
Parks / recreation facilities:			
Salaries and wages	330,775	330,775	329,453
Employee benefits	148,800	148,800	145,297
Services and supplies	144,060	158,535	150,791
	<u>623,635</u>	<u>638,110</u>	<u>625,541</u>
Swimming pool:			
Salaries and wages	235,000	235,000	212,696
Employee benefits	63,800	63,800	63,668
Services and supplies	142,850	142,850	125,020
	<u>441,650</u>	<u>441,650</u>	<u>401,384</u>
Total Culture and Recreation:	<u>1,065,285</u>	<u>1,079,760</u>	<u>1,026,925</u>
Community support:			
Community service:			
Services and supplies:			
Senior Citizens Center	10,000	10,000	10,000
CADV	3,000	3,000	3,000
Vitality Center	5,000	5,000	5,000
FISH	6,000	6,000	6,000
Nevada Rural County RSVP	1,000	1,000	1,000
Elko Area Transit Authority	5,000	5,000	5,000
Nevada Small Business Development	-	15,000	15,000
Elko Band of Indians	-	-	-
Family Resource Center	-	-	-
	<u>30,000</u>	<u>45,000</u>	<u>45,000</u>
Total Community Support	<u>30,000</u>	<u>45,000</u>	<u>45,000</u>

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
655	91,612
481	34,982
<u>12,454</u>	<u>18,638</u>
<u>13,590</u>	<u>145,232</u>
<u>107,016</u>	<u>3,008,660</u>
534	181,164
976	84,067
<u>9,379</u>	<u>102,856</u>
<u>10,889</u>	<u>368,087</u>
888	95,811
2,737	40,290
<u>1,631</u>	<u>14,514</u>
<u>5,256</u>	<u>150,615</u>
<u>16,145</u>	<u>518,702</u>
1,322	280,588
3,503	106,550
<u>7,744</u>	<u>125,888</u>
<u>12,569</u>	<u>513,026</u>
22,304	209,699
132	58,751
<u>17,830</u>	<u>118,912</u>
<u>40,266</u>	<u>387,362</u>
<u>52,835</u>	<u>900,388</u>
-	10,000
-	3,000
-	1,500
-	3,000
-	1,000
-	5,000
-	-
-	1,000
<u>-</u>	<u>5,000</u>
<u>-</u>	<u>29,500</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 6 of 6)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
Contingency	265,218	190,218	-
Total Expenditures	17,946,418	17,860,614	17,415,778
Excess (Deficiency) of Revenues over Expenditures	(1,263,895)	(1,088,895)	2,129,565
OTHER FINANCING SOURCES (USES)			
Transfers in:			
Recreation Fund	239,464	239,464	239,464
Transfers out:			
Airport Fund	-	(175,000)	(175,000)
Capital Equipment Reserve Fund	(401,407)	(401,407)	(401,407)
Facility Reserve Fund	(401,407)	(401,407)	(401,407)
Golf Fund	(28,595)	(28,595)	(26,630)
Revenue Stabilization Fund	(267,605)	(267,605)	(267,605)
Total Other Financing Sources (Uses)	(859,550)	(1,034,550)	(1,032,585)
Net Change in Fund Balance	(2,123,445)	(2,123,445)	1,096,980
FUND BALANCE, July 1	3,612,999	3,612,999	4,891,754
FUND BALANCE, June 30	\$ 1,489,554	\$ 1,489,554	\$ 5,988,734

See accompanying notes to required supplementary information.

VARIANCE TO FINAL BUDGET	2012
<u>190,218</u>	<u>-</u>
<u>444,836</u>	<u>15,111,913</u>
<u>3,218,460</u>	<u>3,738,237</u>
-	223,508
-	(1,843,783)
-	(80,196)
-	(80,196)
1,965	(23,915)
<u>-</u>	<u>(53,464)</u>
<u>1,965</u>	<u>(1,858,046)</u>
3,220,425	1,880,191
<u>1,278,755</u>	<u>3,011,563</u>
<u>\$ 4,499,180</u>	<u>\$ 4,891,754</u>

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CITY OF ELKO
RECONCILIATION OF THE GENERAL FUND (BUDGETARY BASIS) TO THE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GENERAL FUND (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	GENERAL FUND (BUDGET BASIS)	REVENUE STABILIZATION FUND	ELIMINATIONS	2013 GENERAL FUND (GAAP BASIS)	2012
REVENUES					
Taxes	\$ 2,473,737	\$ -	\$ -	\$ 2,473,737	\$ 2,373,842
Licenses and permits	2,048,308	-	-	2,048,308	1,913,770
Intergovernmental	13,791,267	-	-	13,791,267	13,399,230
Charges for services	870,660	-	-	870,660	876,366
Fines and forfeitures	199,833	-	-	199,833	185,480
Miscellaneous	<u>161,538</u>	<u>1,536</u>	<u>-</u>	<u>163,074</u>	<u>103,184</u>
Total Revenues	<u>19,545,343</u>	<u>1,536</u>	<u>-</u>	<u>19,546,879</u>	<u>18,851,872</u>
EXPENDITURES					
Current:					
General government	2,131,446	-	-	2,131,446	1,896,063
Judicial	339,637	-	-	339,637	335,305
Public safety	9,226,056	-	-	9,226,056	8,423,606
Public works	4,031,364	-	-	4,031,364	3,008,660
Health	615,350	-	-	615,350	518,702
Culture and recreation	1,026,925	-	-	1,026,925	900,388
Community support	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>29,500</u>
Total Expenditures	<u>17,415,778</u>	<u>-</u>	<u>-</u>	<u>17,415,778</u>	<u>15,112,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,129,565</u>	<u>1,536</u>	<u>-</u>	<u>2,131,101</u>	<u>3,739,648</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	239,464	267,605	(267,605)	239,464	223,508
Transfers out	<u>(1,272,049)</u>	<u>-</u>	<u>267,605</u>	<u>(1,004,444)</u>	<u>(2,028,090)</u>
Total Other Financing Sources (Uses)	<u>(1,032,585)</u>	<u>267,605</u>	<u>-</u>	<u>(764,980)</u>	<u>(1,804,582)</u>
Net Change in Fund Balances	1,096,980	269,141	-	1,366,121	1,935,066
FUND BALANCES, July 1	<u>4,891,754</u>	<u>1,260,532</u>	<u>-</u>	<u>6,152,286</u>	<u>4,217,220</u>
FUND BALANCES, June 30	<u>\$ 5,988,734</u>	<u>\$ 1,529,673</u>	<u>\$ -</u>	<u>\$ 7,518,407</u>	<u>6,152,286</u>

See accompanying notes to required supplementary information.

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 1 of 2)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Taxes:			
Room taxes	\$ 3,000,000	\$ 3,000,000	\$ 3,557,093
Miscellaneous:			
Investment earnings	2,500	2,500	832
Private donations	-	-	6,400
Other	-	-	21,609
	<u>2,500</u>	<u>2,500</u>	<u>28,841</u>
Total Revenues	<u>3,002,500</u>	<u>3,002,500</u>	<u>3,585,934</u>
EXPENDITURES			
Culture and Recreation:			
Services and supplies	46,500	101,500	94,794
Capital outlay:			
Mittry Park	-	20,000	18,886
Main Park	1,096,786	628,986	478,337
Machinery	-	21,000	20,589
	<u>1,096,786</u>	<u>669,986</u>	<u>517,812</u>
Other recreation:			
Elko County Recreation Board	166,250	192,300	195,265
Western Folklife Center	62,500	73,000	74,106
Elko Snowbowl Foundation	31,250	36,500	37,053
Elko County Fair Board	125,000	146,000	148,212
Elko Convention Center	763,995	983,995	966,847
State Tourism	93,750	109,750	111,385
Elko Convention Center Marketing	437,500	510,500	518,743
	<u>1,680,245</u>	<u>2,052,045</u>	<u>2,051,611</u>
Total Expenditures	<u>2,823,531</u>	<u>2,823,531</u>	<u>2,664,217</u>
Excess (Deficiency) of Revenues over Expenditures	<u>178,969</u>	<u>178,969</u>	<u>921,717</u>

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
\$ <u>557,093</u>	\$ <u>3,344,254</u>
(1,668)	799
6,400	11,066
<u>21,609</u>	<u>4,028</u>
<u>26,341</u>	<u>15,893</u>
<u>583,434</u>	<u>3,360,147</u>
<u>6,706</u>	<u>73,474</u>
1,114	1,598
150,649	193,903
<u>411</u>	<u>192,970</u>
<u>152,174</u>	<u>388,471</u>
(2,965)	184,180
(1,106)	69,672
(553)	34,836
(2,212)	139,344
17,148	888,654
(1,635)	104,599
<u>(8,243)</u>	<u>487,704</u>
<u>434</u>	<u>1,908,989</u>
<u>159,314</u>	<u>2,370,934</u>
<u>742,748</u>	<u>989,213</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 2 of 2)

	BUDGET		ACTUAL
	ORIGINAL	FINAL	
OTHER FINANCING SOURCES (USES)			
Transfers out:			
General Fund	(239,464)	(239,464)	(239,464)
Debt Service Fund	(147,568)	(147,568)	(147,568)
Airport Fund	(329,755)	(329,755)	(329,755)
Youth Recreation Fund	(13,304)	(13,304)	(13,304)
Golf Fund	(23,304)	(23,304)	(23,304)
Total Other Financing Sources (Uses)	<u>(753,395)</u>	<u>(753,395)</u>	<u>(753,395)</u>
Net Change in Fund Balance	(574,426)	(574,426)	168,322
FUND BALANCE, July 1	<u>723,426</u>	<u>723,426</u>	<u>929,326</u>
FUND BALANCE, June 30	<u>\$ 149,000</u>	<u>\$ 149,000</u>	<u>\$ 1,097,648</u>

See accompanying notes to required supplementary information.

<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
-	(223,508)
-	(145,768)
-	(330,605)
-	(12,417)
-	(22,417)
<hr/>	<hr/>
-	(734,715)
742,748	254,498
<hr/>	<hr/>
205,900	674,828
<hr/>	<hr/>
\$ <u>948,648</u>	\$ <u>929,326</u>

CITY OF ELKO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

Note 1 – Budgetary Reconciliations:

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external reporting purposes.

Budget to actual comparisons are presented for all funds of the City as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted, and approved by the State of Nevada Department of Taxation. However, guidance provided in governmental accounting standards specify that one of these internally reported funds of the City of Elko, does not meet the definition of special revenue funds, and therefore does not qualify to be separately presented for external reporting purposes.

The Revenue Stabilization Fund for the City of Elko is combined with the General Fund for external reporting purposes.

SUPPLEMENTARY INFORMATION

CITY OF ELKO
COMBINING BALANCE SHEET
RECONCILIATION OF THE GENERAL FUND (BUDGETARY BASIS) TO THE
GENERAL FUND (GAAP BASIS)
JUNE 30, 2013
(With Comparative Totals at June 30, 2012)

	GENERAL FUND (BUDGETARY BASIS)	REVENUE STABILIZATION FUND	2013 GENERAL FUND (GAAP BASIS)	2012
ASSETS				
Cash and investments	\$ 4,382,918	\$ 1,529,247	\$ 5,912,165	\$ 3,833,775
Restricted cash	-	-	-	150,565
Interest receivable	1,231	426	1,657	4,088
Accounts receivable	161,440	-	161,440	171,034
Taxes receivable, delinquent	43,652	-	43,652	36,661
Prepaid Expenses	-	-	-	202,400
Due from other governments	2,164,570	-	2,164,570	2,483,681
Inventory	27,967	-	27,967	29,608
Total Assets	\$ 6,781,778	\$ 1,529,673	\$ 8,311,451	\$ 6,911,812
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 410,956	\$ -	\$ 410,956	\$ 359,167
Accrued salaries	219,373	-	219,373	198,469
Due to other governments	5,100	-	5,100	6,572
Deferred revenue	157,615	-	157,615	195,318
Total Liabilities	793,044	-	793,044	759,526
Fund Balances:				
Nonspendable:				
Inventory	27,967	-	27,967	29,608
Prepaid expenses	-	-	-	202,400
Restricted:				
Debt service	-	-	-	150,565
Seizure funds - public safety	-	-	-	58,225
Public works	-	-	-	38,658
Committed:				
Revenue Stabilization Policy	-	1,529,673	1,529,673	1,260,532
Assigned:				
Next year budget shortfall	4,546,188	-	4,546,188	2,123,445
Unassigned	1,414,579	-	1,414,579	2,288,853
Total Fund Balances	5,988,734	1,529,673	7,518,407	6,152,286
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,781,778	\$ 1,529,673	\$ 8,311,451	\$ 6,911,812

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CAPITAL CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
REVENUES				
Taxes:				
Ad Valorem	\$ 620,267	\$ 625,413	\$ 5,146	\$ 605,095
Miscellaneous:				
Investment earnings	2,500	996	(1,504)	4,473
Other	-	3,752	3,752	22,563
	<u>2,500</u>	<u>4,748</u>	<u>2,248</u>	<u>27,036</u>
Total Revenues	<u>622,767</u>	<u>630,161</u>	<u>7,394</u>	<u>632,131</u>
EXPENDITURES				
General government:				
Planning / zoning:				
Services and supplies	25,000	24,542	458	116,084
Public works:				
Highways / streets:				
Services and supplies	150,150	150,150	-	242,055
Capital outlay	1,219,502	924,604	294,898	9,161,541
	<u>1,369,652</u>	<u>1,074,754</u>	<u>294,898</u>	<u>9,403,596</u>
Total Expenditures	<u>1,394,652</u>	<u>1,099,296</u>	<u>295,356</u>	<u>9,519,680</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(771,885)</u>	<u>(469,135)</u>	<u>302,750</u>	<u>(8,887,549)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets - land	-	295,066	295,066	-
Transfers out:				
Elko Redevelopment Agency Fund	(8,000)	(8,000)	-	-
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>287,066</u>	<u>295,066</u>	<u>-</u>
Net Change in Fund Balance	(779,885)	(182,069)	597,816	(8,887,549)
FUND BALANCE, July 1	<u>779,885</u>	<u>592,665</u>	<u>(187,220)</u>	<u>9,480,214</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 410,596</u>	<u>\$ 410,596</u>	<u>\$ 592,665</u>

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NONMAJOR GOVERNMENTAL FUNDS

CITY OF ELKO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013
(With Comparative Totals at June 30, 2012)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL	2012
ASSETS					
Cash and investments	\$ 289,437	153,833	\$ 2,099,510	\$ 2,542,780	\$ 1,471,935
Restricted cash	-	288,702	-	288,702	135,112
Interest receivable	21	111	544	676	1,478
Accounts receivable	930	-	-	930	6,997
Taxes receivable, delinquent	-	4,973	15,353	20,326	19,550
Due from other governments	20,261	180,258	206,037	406,556	441,087
Total Assets	\$ 310,649	\$ 627,877	\$ 2,321,444	\$ 3,259,970	\$ 2,076,159
LIABILITIES					
Accounts payable	\$ 22,844	\$ -	\$ 75,073	\$ 97,917	\$ 37,801
Accrued salaries	4,364	-	-	4,364	5,068
Due to other governments	-	-	207,292	207,292	-
Deferred revenue	120,751	70,879	21,353	212,983	267,614
Total Liabilities	147,959	70,879	303,718	522,556	310,483
FUND BALANCES					
Restricted:					
Debt service	-	288,702	-	288,702	135,112
Redevelopment Agency	-	-	542,587	542,587	405,690
Capital projects	-	-	489,176	489,176	303,085
Public safety	107,962	-	-	107,962	96,827
Committed:					
Parks and recreation	55,184	-	-	55,184	61,624
Capital projects	-	-	602,177	602,177	612,007
Facility improvements	-	-	383,786	383,786	36,483
Debt service	-	268,296	-	268,296	117,754
Unassigned	(456)	-	-	(456)	(2,906)
Total Fund Balances	162,690	556,998	2,017,726	2,737,414	1,765,676
TOTAL LIABILITIES AND FUND BALANCES	\$ 310,649	\$ 627,877	\$ 2,321,444	\$ 3,259,970	\$ 2,076,159

CITY OF ELKO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL	2012
REVENUES					
Taxes	\$ -	\$ 279,646	\$ 692,401	\$ 972,047	\$ 990,563
Intergovernmental	50,642	768,143	622,865	1,441,650	1,403,780
Charges for services	260,241	-	-	260,241	221,904
Miscellaneous	18,479	123	5,608	24,210	31,387
Total Revenues	<u>329,362</u>	<u>1,047,912</u>	<u>1,320,874</u>	<u>2,698,148</u>	<u>2,647,634</u>
EXPENDITURES					
Current:					
General government	-	24	460,555	460,579	75,290
Public safety	37,057	-	467,638	504,695	322,755
Public works	-	-	457,501	457,501	923,048
Health	-	-	48,304	48,304	45,203
Culture and recreation	298,464	-	58,624	357,088	381,815
Debt service:					
Principal	-	480,000	-	480,000	465,000
Interest	-	411,324	-	411,324	422,324
Total Expenditures	<u>335,521</u>	<u>891,348</u>	<u>1,492,622</u>	<u>2,719,491</u>	<u>2,635,435</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,159)</u>	<u>156,564</u>	<u>(171,748)</u>	<u>(21,343)</u>	<u>12,199</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	21,395	21,395	33,500
Transfers in	13,304	147,568	981,036	1,141,908	318,577
Transfers out	-	-	(170,222)	(170,222)	-
Total Other Financing Sources (Uses)	<u>13,304</u>	<u>147,568</u>	<u>832,209</u>	<u>993,081</u>	<u>352,077</u>
Net Change in Fund Balances	<u>7,145</u>	<u>304,132</u>	<u>660,461</u>	<u>971,738</u>	<u>364,276</u>
FUND BALANCES, July 1	<u>155,545</u>	<u>252,866</u>	<u>1,357,265</u>	<u>1,765,676</u>	<u>1,401,400</u>
FUND BALANCES, June 30	<u>\$ 162,690</u>	<u>\$ 556,998</u>	<u>\$ 2,017,726</u>	<u>\$ 2,737,414</u>	<u>\$ 1,765,676</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues which are legally restricted to expenditures for a particular purpose. Special Revenue Funds are comprised of the following:

Youth Recreation Fund – revenues include state grants and charges for participation in the “latchkey” program with expenditures related to providing these after school services for youth.

Municipal Court Administrative Assessment Fund – revenues are derived from additional ticketed fines and are to be used to improve the court premises and equipment.

Narcotics Task Force Fund – revenues include state grants and monies collected from other local governments to be used for narcotics enforcement.

CITY OF ELKO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013
(With Comparative Totals at June 30, 2012)

	YOUTH RECREATION FUND	MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT FUND	NARCOTICS TASK FORCE FUND	TOTAL	2012
ASSETS					
Cash and investments	\$ 72,299	\$ 107,317	\$ 109,821	\$ 289,437	\$ 269,138
Interest receivable	21	-	-	21	72
Accounts receivable	-	645	285	930	997
Due from other governments	-	-	20,261	20,261	9,247
Total Assets	\$ 72,320	\$ 107,962	\$ 130,367	\$ 310,649	\$ 279,454
LIABILITIES					
Accounts payable	\$ 12,772	\$ -	\$ 10,072	\$ 22,844	\$ 12,065
Accrued salaries	4,364	-	-	4,364	4,701
Deferred revenue	-	-	120,751	120,751	107,143
Total Liabilities	17,136	-	130,823	147,959	123,909
FUND BALANCES (DEFICIT)					
Restricted:					
Public safety	-	107,962	-	107,962	96,827
Committed:					
Parks and recreation	55,184	-	-	55,184	61,624
Unassigned	-	-	(456)	(456)	(2,906)
Total Fund Balances (deficit)	55,184	107,962	(456)	162,690	155,545
TOTAL LIABILITIES AND FUND BALANCES	\$ 72,320	\$ 107,962	\$ 130,367	\$ 310,649	\$ 279,454

CITY OF ELKO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	YOUTH RECREATION FUND	MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT FUND	NARCOTICS TASK FORCE FUND
REVENUES			
Intergovernmental	\$ -	\$ 11,135	\$ 39,507
Charges for services	260,241	-	-
Miscellaneous	18,479	-	-
Total Revenues	<u>278,720</u>	<u>11,135</u>	<u>39,507</u>
EXPENDITURES			
Current:			
Public safety	-	-	37,057
Culture and recreation	298,464	-	-
Total Expenditures	<u>298,464</u>	<u>-</u>	<u>37,057</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(19,744)</u>	<u>11,135</u>	<u>2,450</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>13,304</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(6,440)</u>	<u>11,135</u>	<u>2,450</u>
FUND BALANCES (DEFICIT), July 1	<u>61,624</u>	<u>96,827</u>	<u>(2,906)</u>
FUND BALANCES (DEFICIT), June 30	<u>\$ 55,184</u>	<u>\$ 107,962</u>	<u>\$ (456)</u>

<u>TOTAL</u>	<u>2012</u>
\$ 50,642	\$ 140,983
260,241	221,904
<u>18,479</u>	<u>11,824</u>
<u>329,362</u>	<u>374,711</u>
37,057	133,245
<u>298,464</u>	<u>268,411</u>
<u>335,521</u>	<u>401,656</u>
<u>(6,159)</u>	<u>(26,945)</u>
<u>13,304</u>	<u>12,417</u>
7,145	(14,528)
<u>155,545</u>	<u>170,073</u>
<u>\$ 162,690</u>	<u>\$ 155,545</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
YOUTH RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Charges for services:				
Fun factory fees	\$ 225,000	\$ 260,241	\$ 35,241	\$ 221,904
Miscellaneous:				
Donations	-	2,231	2,231	70
Investment earnings	500	102	(398)	84
Other	7,500	16,146	8,646	11,670
	<u>8,000</u>	<u>18,479</u>	<u>10,479</u>	<u>11,824</u>
Total Revenues	<u>233,000</u>	<u>278,720</u>	<u>45,720</u>	<u>233,728</u>
EXPENDITURES				
Culture and recreation:				
Latchkey program:				
Salaries and wages	124,000	124,752	(752)	118,806
Employee benefits	43,900	43,786	114	34,392
Services and supplies	118,150	129,926	(11,776)	115,213
Total Expenditures	<u>286,050</u>	<u>298,464</u>	<u>(12,414)</u>	<u>268,411</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(53,050)</u>	<u>(19,744)</u>	<u>33,306</u>	<u>(34,683)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Recreation Fund	13,304	13,304	-	12,417
Total Other Financing Sources (Uses)	<u>13,304</u>	<u>13,304</u>	<u>-</u>	<u>12,417</u>
Net Change in Fund Balance	(39,746)	(6,440)	33,306	(22,266)
FUND BALANCE, July 1	<u>46,177</u>	<u>61,624</u>	<u>15,447</u>	<u>83,890</u>
FUND BALANCE, June 30	<u>\$ 6,431</u>	<u>\$ 55,184</u>	<u>\$ 48,753</u>	<u>\$ 61,624</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Intergovernmental:				
Administrative assessments	\$ 15,000	\$ 11,135	\$ (3,865)	\$ 9,795
EXPENDITURES				
Judicial:				
Municipal court:				
Capital outlay	117,032	-	117,032	-
Net Change in Fund Balance	(102,032)	11,135	113,167	9,795
FUND BALANCE, July 1	102,032	96,827	(5,205)	87,032
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 107,962</u>	<u>\$ 107,962</u>	<u>\$ 96,827</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NARCOTICS TASK FORCE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Intergovernmental:				
Combined narcotics task force grant	\$ 136,000	\$ 28,929	\$ (107,071)	\$ 131,188
Seizure revenue	-	7,671	7,671	-
Local government match	-	2,907	2,907	-
Total Revenues	<u>136,000</u>	<u>39,507</u>	<u>(96,493)</u>	<u>131,188</u>
EXPENDITURES				
Public safety:				
Salaries and wages	41,000	-	41,000	55,903
Employee benefits	50,000	-	50,000	30,502
Services and supplies	30,000	22,095	7,905	46,840
Capital outlay	15,000	14,962	38	-
Total Expenditures	<u>136,000</u>	<u>37,057</u>	<u>98,943</u>	<u>133,245</u>
Net Change in Fund Balance	-	2,450	2,450	(2,057)
FUND BALANCE (DEFICIT), July 1	<u>-</u>	<u>(2,906)</u>	<u>(2,906)</u>	<u>(849)</u>
FUND BALANCES (DEFICIT), June 30	<u>\$ -</u>	<u>\$ (456)</u>	<u>\$ (456)</u>	<u>\$ (2,906)</u>

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for the payment.

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
REVENUES				
Taxes:				
Ad valorem	\$ 279,761	\$ 279,646	(115)	\$ 263,200
Intergovernmental:				
Regional Transportation Commission	549,480	768,143	218,663	552,603
Miscellaneous:				
Investment earnings	500	123	(377)	(21)
Total Revenues	829,741	1,047,912	218,171	815,782
EXPENDITURES				
General government:				
Services and supplies	-	24	(24)	25
Debt service:				
Principal:				
General obligation street bonds	395,000	395,000	-	385,000
General obligation recreation bonds	85,000	85,000	-	80,000
	480,000	480,000	-	465,000
Interest:				
General obligation street bonds	348,756	348,756	-	356,556
General obligation recreation bonds	62,568	62,568	-	65,768
	411,324	411,324	-	422,324
Total Expenditures	891,324	891,348	(24)	887,349
Excess (Deficiency) of Revenues over Expenditures	(61,583)	156,564	218,147	(71,567)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Recreation Fund	147,568	147,568	-	145,768
Net Change in Fund Balance	85,985	304,132	218,147	74,201
FUND BALANCE, July 1	427,445	252,866	(174,579)	178,665
FUND BALANCE, June 30	\$ 513,430	\$ 556,998	\$ 43,568	\$ 252,866

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Capital Projects Funds are comprised of the following:

Ad Valorem Capital Projects Fund – accounts for projects funded by capital projects ad valorem tax revenues.

Public Improvement Development Fund – revenues include collections from developers for costs relating to public capital improvements and development programs.

Capital Equipment Reserve Fund - accounts for the collection and disbursement of funds solely for the purpose of purchasing capital equipment or replacement of existing capital equipment.

Facility Reserve Fund – accounts for the collection and disbursement of funds solely for the purpose of improving existing facilities or constructing new facilities. The revenues will be derived from facility user fees, investment earnings and approved transfers.

Elko Redevelopment Agency Fund – accounts for the resources used for improvements and/or new construction of facilities and infrastructure for all activities associated with the Elko Redevelopment Agency area.

CITY OF ELKO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2013
(With Comparative Totals at June 30, 2012)

	AD VALOREM CAPITAL PROJECTS FUND	PUBLIC IMPROVEMENT DEVELOPMENT FUND	CAPITAL EQUIPMENT RESERVE FUND	FACILITY RESERVE FUND
ASSETS				
Cash and investments	\$ 252,296	\$ 15,412	\$ 547,166	\$ 421,672
Interest receivable	123	4	117	118
Accounts receivable	-	-	-	-
Taxes receivable, delinquent	-	-	5,836	-
Due from other governments	51,119	-	97,963	-
Total Assets	\$ 303,538	\$ 15,416	\$ 651,082	\$ 421,790
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 37,069	\$ 38,004
Accrued Salaries	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	11,836	-
Total Liabilities	-	-	48,905	38,004
FUND BALANCES				
Restricted:				
Capital projects	303,538	15,416	-	-
Redevelopment Agency	-	-	-	-
Committed:				
Facility improvements	-	-	-	383,786
Capital projects	-	-	602,177	-
Total Fund Balances	303,538	15,416	602,177	383,786
TOTAL LIABILITIES AND FUND BALANCES	\$ 303,538	\$ 15,416	\$ 651,082	\$ 421,790

ELKO REDEVELOPMENT AGENCY FUND			TOTAL	2012	
\$	862,964	\$	2,099,510	\$	1,202,797
	182		544		1,271
	-		-		6,000
	9,517		15,353		16,790
	56,955		206,037		182,784
<u>\$</u>	<u>929,618</u>	<u>\$</u>	<u>2,321,444</u>	<u>\$</u>	<u>1,409,642</u>
\$	-	\$	75,073	\$	25,736
	-		-		367
	207,292		207,292		-
	9,517		21,353		26,274
	216,809		303,718		52,377
	170,222		489,176		303,085
	542,587		542,587		405,690
	-		383,786		36,483
	-		602,177		612,007
	712,809		2,017,726		1,357,265
<u>\$</u>	<u>929,618</u>	<u>\$</u>	<u>2,321,444</u>	<u>\$</u>	<u>1,409,642</u>

CITY OF ELKO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)

	AD VALOREM CAPITAL PROJECTS FUND	PUBLIC IMPROVEMENT DEVELOPMENT FUND	CAPITAL EQUIPMENT RESERVE FUND	FACILITY RESERVE FUND
REVENUES				
Taxes	\$ 217,309	\$ -	\$ 322,378	\$ -
Intergovernmental	-	-	622,865	-
Miscellaneous	4,460	20	703	(133)
Total Revenues	221,769	20	945,946	(133)
EXPENDITURES				
Current:				
General government	57	4	459,518	55
Public safety	-	-	467,638	-
Public works	35,637	-	390,558	7,852
Health	-	-	7,800	40,504
Culture and recreation	-	-	53,064	5,560
Total Expenditures	35,694	4	1,378,578	53,971
Excess (Deficiency) of Revenues over Expenditures	186,075	16	(432,632)	(54,104)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	21,395	-
Transfers in	-	-	401,407	401,407
Transfers out	(170,222)	-	-	-
Total Other Financing Sources (Uses)	(170,222)	-	422,802	401,407
Net Change in Fund Balances	15,853	16	(9,830)	347,303
FUND BALANCES, July 1	287,685	15,400	612,007	36,483
FUND BALANCES, June 30	\$ 303,538	\$ 15,416	\$ 602,177	\$ 383,786

ELKO REDEVELOPMENT AGENCY FUND			TOTAL	2012	
\$	152,714	\$	692,401	\$	727,363
	-		622,865		710,194
	558		5,608		19,584
	<u>153,272</u>		<u>1,320,874</u>		<u>1,457,141</u>
	921		460,555		75,265
	-		467,638		189,510
	23,454		457,501		923,048
	-		48,304		45,203
	-		58,624		113,404
	<u>24,375</u>		<u>1,492,622</u>		<u>1,346,430</u>
	<u>128,897</u>		<u>(171,748)</u>		<u>110,711</u>
	-		21,395		33,500
	178,222		981,036		160,392
	-		(170,222)		-
	<u>178,222</u>		<u>832,209</u>		<u>193,892</u>
	307,119		660,461		304,603
	<u>405,690</u>		<u>1,357,265</u>		<u>1,052,662</u>
\$	<u>712,809</u>	\$	<u>2,017,726</u>	\$	<u>1,357,265</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
AD VALOREM CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
REVENUES				
Taxes:				
Ad valorem	\$ 202,318	\$ 217,309	\$ 14,991	\$ 263,227
Intergovernmental:				
Downtown lighting project	-	-	-	135,058
Miscellaneous:				
Other	4,300	4,299	(1)	4,299
Investment earnings	1,000	161	(839)	127
	<u>5,300</u>	<u>4,460</u>	<u>(840)</u>	<u>4,426</u>
Total Revenues	<u>207,618</u>	<u>221,769</u>	<u>14,151</u>	<u>402,711</u>
EXPENDITURES				
General government:				
Services and supplies	60	57	3	66
Public works:				
Highways / streets:				
Capital outlay	<u>255,046</u>	<u>35,637</u>	<u>219,409</u>	<u>506,628</u>
Total Expenditures	<u>255,106</u>	<u>35,694</u>	<u>219,412</u>	<u>506,694</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(47,488)</u>	<u>186,075</u>	<u>233,563</u>	<u>(103,983)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Redevelopment Agency Fund	<u>(170,222)</u>	<u>(170,222)</u>	-	-
Net Change in Fund Balance	(217,710)	15,853	233,563	(103,983)
FUND BALANCE, July 1	<u>217,710</u>	<u>287,685</u>	<u>69,975</u>	<u>391,668</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 303,538</u>	<u>\$ 303,538</u>	<u>\$ 287,685</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC IMPROVEMENT DEVELOPMENT FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 100	\$ 20	\$ (80)	\$ 20
Other	1,000	-	(1,000)	-
Total Revenues	<u>1,100</u>	<u>20</u>	<u>(1,080)</u>	<u>20</u>
EXPENDITURES				
General government:				
Services and supplies	10	4	6	4
Public Works:				
Capital outlay	16,574	-	16,574	-
Total Expenditures	<u>16,584</u>	<u>4</u>	<u>16,580</u>	<u>4</u>
Net Change in Fund Balance	(15,484)	16	15,500	16
FUND BALANCE, July 1	<u>15,484</u>	<u>15,400</u>	<u>(84)</u>	<u>15,384</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 15,416</u>	<u>\$ 15,416</u>	<u>\$ 15,400</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CAPITAL EQUIPMENT RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 1 of 2)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
REVENUES				
Taxes:				
Ad valorem	\$ 319,731	\$ 322,378	\$ 2,647	\$ 309,425
Intergovernmental:				
EMS equipment grant	27,475	27,476	1	-
Basic city / county relief tax	109,615	128,708	19,093	124,800
Supplemental city / county relief tax	406,300	466,681	60,381	450,336
	<u>543,390</u>	<u>622,865</u>	<u>79,475</u>	<u>575,136</u>
Miscellaneous:				
Investment earnings	2,500	703	(1,797)	709
Other	6,000	-	(6,000)	6,002
	<u>8,500</u>	<u>703</u>	<u>(7,797)</u>	<u>6,711</u>
Total Revenues	<u>871,621</u>	<u>945,946</u>	<u>74,325</u>	<u>891,272</u>
EXPENDITURES				
General government:				
Administration:				
Services and supplies	25,200	24,536	664	98
Capital outlay	494,800	382,305	112,495	6,868
Clerk:				
Capital outlay	-	-	-	17,829
Information systems:				
Capital outlay	55,000	52,677	2,323	49,424
	<u>575,000</u>	<u>459,518</u>	<u>115,482</u>	<u>74,219</u>
Public safety:				
Police:				
Capital outlay	275,000	258,608	16,392	150,571
Fire:				
Services and supplies	15,000	9,940	5,060	-
Capital outlay	217,475	199,090	18,385	38,939
	<u>507,475</u>	<u>467,638</u>	<u>39,837</u>	<u>189,510</u>
Public works:				
Highways / streets:				
Capital outlay	215,000	198,596	16,404	272,101
Engineering:				
Capital outlay	28,500	26,447	2,053	13,545
Facilities:				
Capital outlay	180,000	132,867	47,133	59,343
Fleet maintenance:				
Capital outlay	33,000	32,648	352	19,989
	<u>456,500</u>	<u>390,558</u>	<u>65,942</u>	<u>364,978</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CAPITAL EQUIPMENT RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
Health:				
Cemetery:				
Capital outlay	10,500	7,800	2,700	45,203
Culture and recreation:				
Parks / recreation facilities:				
Capital outlay	57,700	53,064	4,636	113,404
Total Expenditures	1,607,175	1,378,578	228,597	787,314
Excess (Deficiency) of Revenues over Expenditures	(735,554)	(432,632)	302,922	103,958
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	21,395	21,395	33,500
Transfers in:				
General Fund	401,407	401,407	-	80,196
Total Other Financing Sources (Uses)	401,407	422,802	21,395	113,696
Net Change in Fund Balance	(334,147)	(9,830)	324,317	217,654
FUND BALANCE, July 1	511,940	612,007	100,067	394,353
FUND BALANCE, June 30	<u>\$ 177,793</u>	<u>\$ 602,177</u>	<u>\$ 424,384</u>	<u>\$ 612,007</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FACILITY RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 100	\$ (133)	\$ (233)	\$ 111
EXPENDITURES				
General government:				
Finance:				
Services and supplies	60	55	5	12
Public safety:				
Fire:				
Capital outlay	25,000	-	25,000	-
Public works:				
Facilities:				
Capital outlay	326,643	7,852	318,791	43,812
Health:				
Cemetery:				
Capital outlay	55,000	40,504	14,496	-
Culture and recreation:				
Parks / recreation facilities:				
Capital outlay	10,000	5,560	4,440	-
Total Expenditures	416,703	53,971	362,732	43,824
Excess (Deficiency) of Revenues over Expenditures	(416,603)	(54,104)	362,499	(43,713)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	401,407	401,407	-	80,196
Net Change in Fund Balance	(15,196)	347,303	362,499	36,483
FUND BALANCE, July 1	15,196	36,483	21,287	-
FUND BALANCE, June 30	\$ -	\$ 383,786	\$ 383,786	\$ 36,483

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ELKO REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Taxes:				
Ad valorem	\$ 77,500	\$ 152,714	\$ 75,214	\$ 154,711
Miscellaneous:				
Other	-	150	150	8,000
Investment earnings	100	408	308	316
Total Revenues	<u>77,600</u>	<u>153,272</u>	<u>75,672</u>	<u>163,027</u>
EXPENDITURES				
General government:				
Planning and zoning:				
Services and supplies	1,000	921	79	964
Public works:				
Highways / streets:				
Salaries and wages	18,500	6,788	11,712	1,128
Employee benefits	5,500	818	4,682	136
Services and supplies	26,000	1,369	24,631	6,366
Capital outlay	437,919	14,479	423,440	-
Total Expenditures	<u>488,919</u>	<u>24,375</u>	<u>464,544</u>	<u>8,594</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(411,319)</u>	<u>128,897</u>	<u>540,216</u>	<u>154,433</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Capital Construction Fund	8,000	8,000	-	-
Ad Valorem Capital Projects Fund	-	170,222	170,222	-
Total Other Financing Sources (Uses)	<u>8,000</u>	<u>178,222</u>	<u>170,222</u>	<u>-</u>
Net Change in Fund Balance	(403,319)	307,119	710,438	154,433
FUND BALANCE, July 1	<u>403,319</u>	<u>405,690</u>	<u>2,371</u>	<u>251,257</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 712,809</u>	<u>\$ 712,809</u>	<u>\$ 405,690</u>

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**INTERNALLY REPORTED (BUDGETARY BASIS) FUND REPORTED AS PART
OF THE GENERAL FUND FOR EXTERNAL REPORTING PURPOSES –**

REVENUE STABILIZATION FUND – BUDGETARY BASIS

Revenue Stabilization Fund – accounts for the collection and disbursement of funds solely for the purpose of stabilizing revenues in those years that anticipated revenues do not meet original projections. The revenues will be derived from excess fund balance of the General Fund as determined by the Sustained Service and Revenue Policy.

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
REVENUE STABILIZATION FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 1,000	\$ 1,536	\$ 536	\$ 1,722
EXPENDITURES				
General Government:				
Services and supplies	-	-	-	311
Excess (Deficiency) of Revenues over Expenditures	1,000	1,536	536	1,411
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	267,605	267,605	-	53,464
Net Change in Fund Balance	268,605	269,141	536	54,875
FUND BALANCE, July 1	1,262,621	1,260,532	(2,089)	1,205,657
FUND BALANCE, June 30	<u>\$ 1,531,226</u>	<u>\$ 1,529,673</u>	<u>\$ (1,553)</u>	<u>\$ 1,260,532</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations which are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The Enterprise Funds consist of the following:

Major Enterprise Funds

Water Fund – accounts for municipal water service.

Sewer Fund – accounts for municipal sewer service and improvements to sewer facilities.

Airport Fund – accounts for the Elko Regional Airport and associated costs.

Landfill Fund – accounts for regional landfill and associated costs.

Nonmajor Enterprise Funds

Golf Fund – accounts for the Elko Municipal Golf Course and associated costs.

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
WATER FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
Operating Revenues:				
Charges for services:				
Water user fees	\$ 3,289,336	\$ 3,250,297	\$ (39,039)	\$ 3,164,487
Miscellaneous:				
Other	55,000	69,114	14,114	72,447
Total Operating Revenues	<u>3,344,336</u>	<u>3,319,411</u>	<u>(24,925)</u>	<u>3,236,934</u>
Operating Expenses:				
Administration:				
Salaries and wages	134,000	133,546	454	124,373
Employee benefits	61,400	60,403	997	57,047
Services and supplies	135,974	106,092	29,882	187,931
	<u>331,374</u>	<u>300,041</u>	<u>31,333</u>	<u>369,351</u>
Operating:				
Salaries and wages	469,025	436,947	32,078	394,463
Employee benefits	227,400	200,297	27,103	166,216
Services and supplies	606,280	611,775	(5,495)	568,403
	<u>1,302,705</u>	<u>1,249,019</u>	<u>53,686</u>	<u>1,129,082</u>
Plant and facilities:				
Salaries and wages	89,700	65,163	24,537	30,852
Employee benefits	44,030	32,440	11,590	15,792
Services and supplies	846,000	669,303	176,697	666,501
	<u>979,730</u>	<u>766,906</u>	<u>212,824</u>	<u>713,145</u>
Depreciation	<u>474,598</u>	<u>475,458</u>	<u>(860)</u>	<u>446,643</u>
Total Operating Expenses	<u>3,088,407</u>	<u>2,791,424</u>	<u>296,983</u>	<u>2,658,221</u>
Operating Income (Loss)	<u>255,929</u>	<u>527,987</u>	<u>272,058</u>	<u>578,713</u>
Nonoperating Revenues (Expenses):				
Investment earnings	25,000	5,982	(19,018)	7,074
Gain (loss) from disposal of capital assets	-	35,613	35,613	(46,707)
Total Nonoperating Revenues (Expenses)	<u>25,000</u>	<u>41,595</u>	<u>16,595</u>	<u>(39,633)</u>
Income Before Capital Contributions	280,929	569,582	288,653	539,080
Capital Contributions:				
Connection fees	<u>450,000</u>	<u>995,068</u>	<u>545,068</u>	<u>566,624</u>
Change in Net Position	<u>\$ 730,929</u>	1,564,650	<u>\$ 833,721</u>	1,105,704
Net Position, Beginning of Year		<u>20,260,874</u>		<u>19,155,170</u>
Net Position, End of Year		<u>\$ 21,825,524</u>		<u>\$ 20,260,874</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 1 of 2)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
Operating Revenues:				
Charges for services:				
Sewer user fees	\$ 2,885,205	\$ 2,593,431	\$ (291,774)	\$ 2,171,245
Septic tank receiving fees	135,000	182,203	47,203	154,631
	<u>3,020,205</u>	<u>2,775,634</u>	<u>(244,571)</u>	<u>2,325,876</u>
Miscellaneous:				
Other	32,000	22,605	(9,395)	20,701
Total Operating Revenues	<u>3,052,205</u>	<u>2,798,239</u>	<u>(253,966)</u>	<u>2,346,577</u>
Operating Expenses:				
Administration:				
Salaries and wages	159,950	159,087	863	140,515
Employee benefits	69,750	69,102	648	63,993
Services and supplies	141,926	126,838	15,088	326,246
	<u>371,626</u>	<u>355,027</u>	<u>16,599</u>	<u>530,754</u>
Operating:				
Salaries and wages	50,000	47,811	2,189	23,580
Employee benefits	25,100	21,869	3,231	10,363
Services and supplies	232,250	216,085	16,165	208,800
	<u>307,350</u>	<u>285,765</u>	<u>21,585</u>	<u>242,743</u>
Plant and facilities:				
Salaries and wages	379,450	377,367	2,083	405,105
Employee benefits	198,400	164,655	33,745	179,265
Services and supplies	1,560,800	1,183,066	377,734	1,362,072
	<u>2,138,650</u>	<u>1,725,088</u>	<u>413,562</u>	<u>1,946,442</u>
Laboratory:				
Salaries and wages	64,500	64,122	378	62,206
Employee benefits	29,825	28,885	940	25,996
Services and supplies	70,725	53,139	17,586	42,667
	<u>165,050</u>	<u>146,146</u>	<u>18,904</u>	<u>130,869</u>
Depreciation	<u>1,484,162</u>	<u>1,357,213</u>	<u>126,949</u>	<u>1,392,223</u>
Total Operating Expenses	<u>4,466,838</u>	<u>3,869,239</u>	<u>597,599</u>	<u>4,243,031</u>
Operating Income (Loss)	<u>(1,414,633)</u>	<u>(1,071,000)</u>	<u>343,633</u>	<u>(1,896,454)</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
Nonoperating Revenues (Expenses):				
Sewer improvement user fees	2,976,093	2,927,888	(48,205)	2,900,856
Investment earnings	50,000	13,593	(36,407)	10,516
Interest expense	-	-	-	(4,744)
Gain (loss) from disposal of capital assets	-	25,433	25,433	(870,031)
Total Nonoperating Revenues (Expenses)	<u>3,026,093</u>	<u>2,966,914</u>	<u>(59,179)</u>	<u>2,036,597</u>
Income (Loss) Before Capital Contributions	1,611,460	1,895,914	284,454	140,143
Capital Contributions:				
Connection fees	<u>605,000</u>	<u>1,441,926</u>	<u>836,926</u>	<u>750,994</u>
Change in Net Position	<u>\$ 2,216,460</u>	3,337,840	<u>\$ 1,121,380</u>	891,137
Net Position, Beginning of Year		<u>30,591,402</u>		<u>29,700,265</u>
Net Position, End of Year		<u>\$ 33,929,242</u>		<u>\$ 30,591,402</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
AIRPORT FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 1 of 2)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
Operating Revenues:				
Intergovernmental:				
State fuel tax	\$ 2,750	\$ 3,258	\$ 508	\$ 2,950
Local fuel tax	20,000	22,598	2,598	17,376
	<u>22,750</u>	<u>25,856</u>	<u>3,106</u>	<u>20,326</u>
Charges for services:				
Landing fees	56,000	51,287	(4,713)	56,006
Weather service data	3,000	3,000	-	3,000
Parking fees	170,000	118,780	(51,220)	157,148
Other	-	225	225	177
Passenger Facility Charges	85,000	78,919	(6,081)	89,233
	<u>314,000</u>	<u>252,211</u>	<u>(61,789)</u>	<u>305,564</u>
Miscellaneous:				
Rent - hanger	34,000	31,322	(2,678)	31,322
Rent - tie-downs	5,250	5,644	394	3,767
Rent - terminal	128,892	129,515	623	128,892
Terminal advertising fee	8,500	23,131	14,631	11,797
Rent - airport	186,200	189,990	3,790	185,186
Old terminal leases	68,340	32,209	(36,131)	68,341
Rental car leases	225,000	266,451	41,451	271,082
Concession rental	1,900	1,417	(483)	1,872
Miscellaneous	24,929	27,188	2,259	23,583
	<u>683,011</u>	<u>706,867</u>	<u>23,856</u>	<u>725,842</u>
Total Operating Revenues	<u>1,019,761</u>	<u>984,934</u>	<u>(34,827)</u>	<u>1,051,732</u>
Airport operations:				
Salaries and wages	301,625	299,814	1,811	303,413
Employee benefits	137,925	118,943	18,982	124,985
Services and supplies	219,100	226,673	(7,573)	162,685
	<u>658,650</u>	<u>645,430</u>	<u>13,220</u>	<u>591,083</u>
Airport terminal operations:				
Services and supplies	130,780	115,304	15,476	124,409
Depreciation - City funded	316,790	182,052	134,738	255,973
Depreciation - Federal portion unfunded	2,360,493	1,778,820	581,673	2,073,402
	<u>2,677,283</u>	<u>1,960,872</u>	<u>716,411</u>	<u>2,329,375</u>
Total Operating Expenses	<u>3,466,713</u>	<u>2,721,606</u>	<u>745,107</u>	<u>3,044,867</u>
Operating Income (Loss)	<u>(2,446,952)</u>	<u>(1,736,672)</u>	<u>710,280</u>	<u>(1,993,135)</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
AIRPORT FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)
(Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
Nonoperating Revenues (Expenses):				
Investment earnings	500	180	(320)	64
Gain (loss) on disposal of capital assets	-	4,686	4,686	(3,251)
Apron failure expenses	(190,000)	(102,207)	87,793	(1,843,783)
Amortization expense	-	(7,976)	(7,976)	(7,005)
Interest expense	(159,755)	(158,268)	1,487	(164,168)
Total Nonoperating Revenues (Expenses)	<u>(349,255)</u>	<u>(263,585)</u>	<u>85,670</u>	<u>(2,018,143)</u>
Income (Loss) Before Capital Contributions, Special Items and Transfers	<u>(2,796,207)</u>	<u>(2,000,257)</u>	<u>795,950</u>	<u>(4,011,278)</u>
Capital Contributions:				
Federal grant AIP 39	-	-	-	224,200
Federal grant AIP 40	-	-	-	550,582
Federal grant AIP 41	1,875,000	2,113,944	238,944	-
Federal grant AIP 37	-	-	-	12,609
Federal grant AIP 36	-	7,125	7,125	5,225
Total Capital Contributions	<u>1,875,000</u>	<u>2,121,069</u>	<u>246,069</u>	<u>792,616</u>
Special item - arbitration award	<u>-</u>	<u>952,000</u>	<u>952,000</u>	<u>-</u>
Transfers In:				
General Fund	175,000	175,000	-	1,843,783
Recreation Fund	329,755	329,755	-	330,605
Total Transfers	<u>504,755</u>	<u>504,755</u>	<u>-</u>	<u>2,174,388</u>
Change in Net Position	<u>\$ (416,452)</u>	<u>1,577,567</u>	<u>\$ 1,994,019</u>	<u>(1,044,274)</u>
Net Position, Beginning of Year		<u>26,889,914</u>		<u>27,934,188</u>
Net Position, End of Year		<u>\$ 28,467,481</u>		<u>\$ 26,889,914</u>

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
LANDFILL FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	2012
Operating Revenues:				
Charges for services:				
Landfill user fees	\$ 1,685,404	\$ 1,746,627	\$ 61,223	\$ 1,595,543
Miscellaneous:				
Franchise fees	30,284	31,124	840	27,851
Other	37,500	38,572	1,072	85,846
	<u>67,784</u>	<u>69,696</u>	<u>1,912</u>	<u>113,697</u>
Total Operating Revenues	<u>1,753,188</u>	<u>1,816,323</u>	<u>63,135</u>	<u>1,709,240</u>
Operating Expenses:				
Administration:				
Salaries and wages	46,700	46,049	651	48,878
Employee benefits	20,325	19,255	1,070	21,397
Services and supplies	46,665	31,916	14,749	47,362
	<u>113,690</u>	<u>97,220</u>	<u>16,470</u>	<u>117,637</u>
Operating:				
Salaries and wages	449,975	445,725	4,250	382,449
Employee benefits	200,900	189,579	11,321	153,430
Services and supplies	799,600	650,577	149,023	649,847
	<u>1,450,475</u>	<u>1,285,881</u>	<u>164,594</u>	<u>1,185,726</u>
Depreciation	<u>102,279</u>	<u>107,405</u>	<u>(5,126)</u>	<u>106,548</u>
Total Operating Expenses	<u>1,666,444</u>	<u>1,490,506</u>	<u>175,938</u>	<u>1,409,911</u>
Operating Income (Loss)	<u>86,744</u>	<u>325,817</u>	<u>239,073</u>	<u>299,329</u>
Nonoperating Revenues (Expenses):				
Investment earnings	3,500	1,445	(2,055)	1,130
Gain (loss) on disposal of capital assets	-	-	-	(2,180)
Total Nonoperating Revenues (Expenses)	<u>3,500</u>	<u>1,445</u>	<u>(2,055)</u>	<u>(1,050)</u>
Change in Net Position	<u>\$ 90,244</u>	<u>327,262</u>	<u>\$ 237,018</u>	<u>298,279</u>
Net Position, Beginning of Year		<u>3,112,385</u>		<u>2,814,106</u>
Net Position, End of Year		<u>\$ 3,439,647</u>		<u>\$ 3,112,385</u>

CITY OF ELKO
SCHEDULE OF FUND NET POSITION
NONMAJOR ENTERPRISE FUND
GOLF FUND
JUNE 30, 2013
(With Comparative Actual Amounts at June 30, 2012)

	GOLF FUND	2012
ASSETS		
Current assets:		
Cash and investments	\$ 299,726	\$ 213,127
Interest receivable	78	245
Accounts receivable	3,148	1,199
Total Current Assets	302,952	214,571
Noncurrent assets:		
Capital assets - land	9,045	9,045
Capital assets being depreciated:		
Buildings	777,343	677,887
Improvements other than buildings	565,918	565,918
Machinery and equipment	623,885	592,926
Construction in progress	2,112	2,112
Less accumulated depreciation	(825,047)	(783,402)
Total Noncurrent Assets	1,153,256	1,064,486
Total Assets	1,456,208	1,279,057
LIABILITIES		
Current liabilities:		
Accounts payable	31,930	17,835
Accrued salaries	8,393	7,382
Compensated absences	18,201	14,572
Other current liabilities	338	338
Total Current Liabilities	58,862	40,127
Noncurrent liabilities:		
Compensated absences	47,970	45,075
Net OPEB obligation	66,647	66,936
Total Noncurrent Liabilities	114,617	112,011
Total Liabilities	173,479	152,138
NET POSITION		
Net investment in capital assets	1,153,256	1,064,486
Unrestricted	129,473	62,433
TOTAL NET POSITION	\$ 1,282,729	\$ 1,126,919

CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
GOLF FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>2012</u>
Operating Revenues:				
Charges for services:				
Green fees	\$ 215,000	\$ 233,163	\$ 18,163	\$ 200,105
Membership fees	257,550	235,419	(22,131)	233,413
Tournament fees	40,000	26,545	(13,455)	46,775
Cart path fees	41,000	40,904	(96)	42,789
Golf cart rental fees	125,000	138,451	13,451	50,522
Golf cart shed rentals	32,500	33,481	981	34,300
Golf concession rentals	9,744	9,744	-	8,600
	<u>720,794</u>	<u>717,707</u>	<u>(3,087)</u>	<u>616,504</u>
Miscellaneous:				
Other	12,500	12,903	403	9,280
	<u>733,294</u>	<u>730,610</u>	<u>(2,684)</u>	<u>625,784</u>
Total Operating Revenues				
Operating Expenses:				
Administration:				
Salaries and wages	19,770	18,821	949	17,018
Employee benefits	16,325	14,333	1,992	13,105
	<u>36,095</u>	<u>33,154</u>	<u>2,941</u>	<u>30,123</u>
Operations:				
Salaries and wages	236,700	235,253	1,447	224,478
Employee benefits	87,925	86,871	1,054	85,186
Services and supplies	299,950	313,442	(13,492)	272,731
	<u>624,575</u>	<u>635,566</u>	<u>(10,991)</u>	<u>582,395</u>
Depreciation	55,000	56,241	(1,241)	51,906
	<u>715,670</u>	<u>724,961</u>	<u>(9,291)</u>	<u>664,424</u>
Total Operating Expenses				
Operating Income (Loss)	17,624	5,649	(11,975)	(38,640)
Nonoperating Revenues (Expenses):				
Investment earnings	500	271	(229)	190
Gain (loss) on disposal of capital assets	-	500	500	(3,286)
	<u>500</u>	<u>771</u>	<u>271</u>	<u>(3,096)</u>
Total Nonoperating Revenues (Expenses)				
Income (Loss) Before Capital Contributions and Transfers	18,124	6,420	(11,704)	(41,736)
Capital Contributions:				
Golf course clubhouse renovations	-	99,456	99,456	-
Transfers in:				
General Fund	28,595	26,630	(1,965)	23,915
Recreation Fund	23,304	23,304	-	22,417
	<u>51,899</u>	<u>49,934</u>	<u>(1,965)</u>	<u>46,332</u>
Total Transfers				
Change in Net Position	<u>\$ 70,023</u>	155,810	<u>\$ 85,787</u>	4,596
Net Position, Beginning of Year		<u>1,126,919</u>		<u>1,122,323</u>
Net Position, End of Year		<u>\$ 1,282,729</u>		<u>\$ 1,126,919</u>

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Insurance Fund – is a partially self-insured health insurance program for City employees, dependents and retirees. Revenues include City contributions, employee/retiree contributions, and individual stop loss recovery.

CITY OF ELKO
SCHEDULE OF FUND NET POSITION
HEALTH INSURANCE FUND
JUNE 30, 2013

	<u>2013</u>
ASSETS	
Current assets:	
Cash and investments	\$ 282,041
Accounts receivable	<u>27,066</u>
Total Assets	<u>309,107</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>162,523</u>
Total Liabilities	<u>162,523</u>
NET POSITION	
Restricted for group health insurance claims	<u>146,584</u>
TOTAL NET POSITION	<u>\$ 146,584</u>

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CITY OF ELKO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
HEALTH INSURANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
Operating Revenues:			
Charges for services:			
Health insurance contributions	\$ 1,462,386	\$ 1,302,623	(159,763)
Employee dependent contributions	255,045	212,006	(43,039)
Retiree contributions	65,760	21,482	(44,278)
Stop loss reimbursements	-	27,066	27,066
Subsidy/retirees & dependents	50,000	35,926	(14,074)
Total Operating Revenues	1,833,191	1,599,103	(234,088)
Operating Expenses:			
Administration:			
Employee benefits	1,633,191	1,452,519	180,672
Operating Income (Loss)	200,000	146,584	(53,416)
Change in Net Position	\$ 200,000	146,584	(53,416)
Net Position, beginning of year		-	
Net Position, end of year		\$ 146,584	

FIDUCIARY FUNDS

Agency Funds are custodial in nature and do not present results of operations or have measurement focus. They are assets held by the government as an agent.

CITY OF ELKO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>BALANCE</u> <u>JUNE 30, 2012</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
Elko County Recreation Board:				
Assets:				
Cash and investments	\$ 282,617	\$ 168,519	\$ 451,136	\$ -
Interest receivable	276	-	276	-
Room tax receivable	21,027	-	21,027	-
Total Assets	<u>\$ 303,920</u>	<u>\$ 168,519</u>	<u>\$ 472,439</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 69	\$ -	\$ 69	\$ -
Due to other governments	303,851	168,519	472,370	-
Total Liabilities	<u>\$ 303,920</u>	<u>\$ 168,519</u>	<u>\$ 472,439</u>	<u>\$ -</u>

STATISTICAL SECTION (UNAUDITED)

CITY OF ELKO
SCHEDULE OF REVENUE AND RELATED
CAPITAL EXPENDITURES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013
(UNAUDITED)

		Activity for the period July 1, 2012 through June 30, 2013
Capital Construction Fund:		
Beginning Balance July 1, 2012	\$	(705,561)
Additions:		
Revenue from Ad Valorem Taxes		625,413
Deletions:		
West Main Street Phase II		(876,945)
Downtown Corridor Improvements		(8,000)
Microsurface Project		(150,000)
West Idaho Street - Sidewalk, Curb and Gutter		(47,660)
Funds remaining to be spent on Street Projects based on Monies Collected from Ad Valorem Taxes	\$	<u>(1,162,753)</u>
Water Fund:		
Beginning Balance July 1, 2012	\$	(1,200,079)
Additions:		
Revenue from Connection Fees		995,068
Deletions:		
Capital Expenses for Projects relating to Growth: Exit 298 Test Hole		<u>(5,444)</u>
Funds remaining to be spent on Growth based on Monies Collected from Connection Fees	\$	<u>(210,455)</u>
Sewer Fund:		
Beginning Balance July 1, 2012	\$	13,690,257
Additions:		
Revenue from Sewer Improvement Fees		2,927,888
Deletions:		
Capital Expenses for Projects or Replacement		
Equipment Replacement		(143,113)
Equalization Basin Sealing		(12,996)
Country Club Sewer Line Reline		(1,376)
Bullion Road Fence Project		(58,822)
Prior year WRF Plant Upgrade improperly allocated to growth		(412,926)
Biologic WRF Plant Upgrade		(5,055,967)
Digester Gas Pipeline		(332,508)
Funds remaining to be spent on Growth or Capital Projects Monies Collected from Improvement Fees	\$	<u>10,600,437</u>
Sewer Fund:		
Beginning Balance July 1, 2012	\$	(535,019)
Additions:		
Revenue from Connection Fees		1,441,926
Deletions:		
Capital Expenses for Projects relating to Growth: WRF Plant Upgrade from prior year that should have been allocated to sewer improvements fees above		<u>412,926</u>
Funds remaining to be spent on Growth based on Monies Collected from Connection Fees	\$	<u>1,319,833</u>

CITY OF ELKO
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND - BUDGETARY BASIS
FOR YEARS ENDED JUNE 30
(UNAUDITED)

	ACTUAL 2004	ACTUAL 2005	ACTUAL 2006	ACTUAL 2007
Revenues:				
Taxes	\$ 1,820,085	\$ 1,820,694	\$ 1,861,647	\$ 1,954,914
Licenses and permits	1,068,772	1,226,545	1,312,525	1,464,666
Intergovernmental	7,211,043	7,922,879	10,236,294	11,347,440
Charges for services	526,188	465,420	558,329	580,481
Fines and forfeitures	121,311	130,049	161,363	177,703
Miscellaneous	213,309	119,161	263,047	201,580
Total Revenues	10,960,708	11,684,748	14,393,205	15,726,784
Expenditures:				
General government	1,157,007	1,428,754	1,342,145	1,640,946
Judicial	159,464	146,878	222,543	237,848
Public safety	5,332,140	5,550,738	6,345,554	7,221,831
Public works	2,505,096	2,858,478	3,056,446	3,235,170
Health	276,938	357,308	408,536	441,913
Culture and recreation	696,735	690,329	733,833	817,790
Community support	28,000	28,000	28,000	28,000
Contingency	-	-	-	-
Intergovernmental	-	157,181	12,946	51,365
Total Expenditures	10,155,380	11,217,666	12,150,003	13,674,863
Excess (Deficiency) of Revenues over Expenditures	805,328	467,082	2,243,202	2,051,921
Other Financing Sources (Uses):				
Transfers in	184,220	220,106	173,475	191,581
Transfers out	(602,282)	(1,023,443)	(738,365)	(1,107,644)
Total Other Financing Sources (Uses)	(418,062)	(803,337)	(564,890)	(916,063)
Net Change in Fund Balance	387,266	(336,255)	1,678,312	1,135,858
Fund Balance, July 1	2,066,089	2,453,355	2,117,100	3,795,412
Fund Balance, June 30	\$ 2,453,355	\$ 2,117,100	\$ 3,795,412	\$ 4,931,270

	ACTUAL 2008	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ACTUAL 2012	ACTUAL 2013	BUDGETED 2014
\$	2,053,557	\$ 2,138,384	2,239,938	\$ 2,253,941	\$ 2,373,842	\$ 2,473,737	\$ 2,583,846
	1,517,248	1,555,808	1,491,501	1,765,089	1,913,770	2,048,308	1,772,210
	10,822,650	10,483,689	9,804,184	11,543,028	13,399,230	13,791,267	11,409,309
	619,864	577,488	575,031	769,662	876,366	870,660	841,345
	225,240	250,115	199,207	209,940	185,480	199,833	185,480
	287,861	171,484	86,388	105,473	101,462	161,538	101,805
	<u>15,526,420</u>	<u>15,176,968</u>	<u>14,396,249</u>	<u>16,647,133</u>	<u>18,850,150</u>	<u>19,545,343</u>	<u>16,893,995</u>
	1,793,403	2,108,515	2,111,813	2,099,734	1,895,752	2,131,446	2,296,053
	301,401	386,154	387,548	364,974	335,305	339,637	371,000
	7,905,349	8,116,542	8,275,314	8,294,482	8,423,606	9,226,056	9,476,990
	4,273,874	3,362,015	3,307,233	3,059,259	3,008,660	4,031,364	4,043,369
	507,835	525,658	525,384	526,608	518,702	615,350	691,150
	952,538	1,028,101	1,027,251	977,659	900,388	1,026,925	1,126,635
	36,000	36,000	32,000	21,000	29,500	45,000	60,000
	-	-	-	-	-	-	270,978
	-	-	-	-	-	-	-
	<u>15,770,400</u>	<u>15,562,985</u>	<u>15,666,543</u>	<u>15,343,716</u>	<u>15,111,913</u>	<u>17,415,778</u>	<u>18,336,175</u>
	(243,980)	(386,017)	(1,270,294)	1,303,417	3,738,237	2,129,565	(1,442,180)
	234,298	246,256	406,136	1,021,168	223,508	239,464	243,582
	(1,372,655)	(397,690)	(398,715)	(1,061,631)	(2,081,554)	(1,272,049)	(3,317,590)
	(1,138,357)	(151,434)	7,421	(40,463)	(1,858,046)	(1,032,585)	(3,074,008)
	(1,382,337)	(537,451)	(1,262,873)	1,262,954	1,880,191	1,096,980	(4,516,188)
	4,931,270	3,548,933	3,011,482	1,748,609	3,011,563	4,891,754	6,180,036
\$	<u>3,548,933</u>	<u>3,011,482</u>	<u>1,748,609</u>	<u>3,011,563</u>	<u>4,891,754</u>	<u>5,988,734</u>	<u>1,663,848</u>

**CITY OF ELKO
ASSESSED VALUATION
SECURED AND UNSECURED PROPERTY
FOR YEAR ENDED JUNE 30
(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>ASSESSED VALUATION</u>	<u>PERCENT CHANGE</u>
1995	\$ 202,479,335	2.74%
1996	218,662,312	7.99%
1997	231,485,367	5.86%
1998	247,881,803	7.08%
1999	263,888,126	6.46%
2000	272,263,390	3.17%
2001	291,389,822	7.02%
2002	295,123,546	1.28%
2003	288,766,550	-2.15%
2004	297,619,553	3.07%
2005	296,187,696	-0.48%
2006	296,750,239	0.19%
2007	312,805,735	5.41%
2008	337,353,408	7.85%
2009	363,571,663	7.77%
2010	389,109,714	7.02%
2011	390,921,792	0.47%
2012	386,309,054	-1.18%
2013	404,635,925	4.74%
2014	427,797,045	5.72%

CITY OF ELKO
COUNTYWIDE SECURED TAX LEVIES, COLLECTIONS AND DELINQUENCIES
FOR YEAR ENDED JUNE 30
(UNAUDITED)

<u>FISCAL YEAR</u>	<u>NET LEVY ROLL</u>	<u>TOTAL TAXES COLLECTED</u>	<u>COLLECTED AS A % OF TAXES LEVIED</u>
1995	\$ 5,046,187	\$ 5,000,696	99.1%
1996	5,653,208	5,430,161	96.1%
1997	5,848,794	5,777,337	98.8%
1998	6,184,268	6,091,667	98.5%
1999	6,557,417	6,422,643	97.9%
2000	6,916,989	6,769,209	97.9%
2001	7,223,108	7,145,453	98.9%
2002	7,515,678	7,352,732	97.8%
2003	7,913,598	7,773,886	98.2%
2004	8,168,939	8,089,734	99.0%
2005	8,450,691	8,391,493	99.3%
2006	8,806,052	8,764,671	99.5%
2007	9,414,388	9,357,982	99.4%
2008	9,416,173	9,285,228	98.6%
2009	10,572,851	10,270,543	97.1%
2010	10,983,383	10,580,559	96.3%
2011	11,155,991	10,850,072	97.3%
2012	11,210,243	11,077,462	98.8%
2013	11,899,450	11,747,688	98.7%

Beginning in Fiscal Year 2009 includes the Elko Redevelopment District

**CITY OF ELKO
TEN LARGEST PROPERTY OWNERS
FOR THE YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUE	% OF CITY ASSESSED VALUE
1. KLO Global LLC	Real Estate/Residential	\$ 13,420,494	3.32%
2. Standard Equipment Capital	Drilling Exploration	11,288,595	2.79%
3. Elko Acquisitions	Gaming	10,484,020	2.59%
4. PHC Elko, Inc.	Community Healthcare	10,091,804	2.49%
5. Eklund Drilling	Drilling Exploration	6,584,148	1.63%
6. MP Elko LLC	Real Estate/Commercial	6,242,243	1.54%
7. Wal-Mart	Grocery Retail	4,729,167	1.17%
8. Sonora LLC	Real Estate/Commercial	4,311,811	1.07%
9. Realty Income Properties 6 LLC	Real Estate/Commercial	3,922,994	0.97%
10. Riverside Villas	Real Estate/Residential	3,549,009	0.88%
		\$ 74,624,285	18.44%

Based on Fiscal Year 2012-2013 total City assessed valuation of \$404,635,925.

CITY OF ELKO
STATEWIDE AVERAGE AND OVERLAPPING TAX RATES
FOR YEARS ENDED JUNE 30
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> <u>(Budget)</u>
Average Statewide Rate	\$ 3.1471	\$ 3.1526	\$ 3.1727	\$ 3.2162	\$ 3.1320	\$ 3.1171	\$ 3.1304	\$ 3.1304
City of Elko	\$ 0.9200	\$ 0.9200	\$ 0.9200	\$ 0.9200	\$ 0.9200	\$ 0.9200	\$ 0.9200	\$ 0.9200
Elko County	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386	0.8386
Elko County School District	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
Special Districts	0.0671	0.0681	0.0681	0.0681	0.0681	0.0537	0.0537	0.0537
State of Nevada	<u>0.1700</u>							
Total	\$ <u>3.4957</u>	\$ <u>3.4967</u>	\$ <u>3.4967</u>	\$ <u>3.4967</u>	\$ <u>3.4967</u>	\$ <u>3.4823</u>	\$ <u>3.4823</u>	\$ <u>3.4823</u>

Per \$100 of assessed valuation.

Source: Nevada Department of Taxation

**CITY OF ELKO
 STATUTORY DEBT LIMITATION
 FOR YEARS ENDED JUNE 30
 (UNAUDITED)**

FISCAL YEAR	TOTAL ASSESSED VALUATION	DEBT LIMIT	OUTSTANDING GENERAL OBLIGATION DEBT	ADDITIONAL STATUTORY DEBT CAPACITY
1995	\$ 202,479,335	\$ 60,743,801	\$ 5,088,990	\$ 55,654,811
1996	218,662,312	65,598,694	5,035,966	60,562,728
1997	231,485,367	69,445,610	6,106,422	63,339,188
1998	247,881,803	74,364,541	5,854,044	68,510,497
1999	263,888,126	79,237,679	9,356,291	69,881,388
2000	272,263,390	81,679,017	12,009,569	69,669,448
2001	291,416,822	87,425,047	11,679,464	75,745,583
2002	295,138,546	88,541,563	11,055,964	77,485,599
2003	288,780,550	86,634,165	10,616,125	76,018,040
2004	297,631,533	89,290,059	10,080,917	79,209,142
2005	296,207,696	88,860,809	9,681,808	79,179,001
2006	296,770,239	89,031,072	10,882,881	78,148,191
2007	312,816,735	93,845,020	10,204,260	83,640,760
2008	337,353,408	101,206,022	9,508,686	91,697,336
2009	363,571,663	109,071,499	8,775,724	100,295,775
2010	389,109,714	116,732,914	7,383,511	109,349,403
2011	390,921,792	117,276,538	17,427,471	99,849,067
2012	386,309,054	115,892,716	15,035,000	100,857,716
2013	404,635,925	121,390,778	14,385,000	107,005,778
2014	427,797,045	128,339,114	N/A	N/A

Note: Legal debt limit per NRS 266.600.

CITY OF ELKO
OUTSTANDING BONDED INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2013
(UNAUDITED)

<u>Bonds Payable</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>PRINCIPAL OUTSTANDING JUNE 30, 2013</u>
General Obligation Bonds:			
General Government:			
2005 Limited Tax Recreational Facilities Bonds	8/25/2005	\$ 2,000,000	\$ 1,425,000
2010 Limited Tax Street Bonds	10/5/2010	10,500,000	9,720,000
General Obligation (Limited Tax) Bonds:			
Enterprise Fund:			
Airport Improvement Bonds Series 2009A and Series 2009B	12/1/2009	<u>3,735,000</u>	<u>3,240,000</u>
Total Bonds Payable		<u>\$ 16,235,000</u>	<u>\$ 14,385,000</u>

CITY OF ELKO
ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2013
(UNAUDITED)

FISCAL YEAR	2009 Airport Improvement Limited Tax Bond		2005 Limited Tax Recreational Facilities Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 180,000	\$ 153,405	\$ 90,000	\$ 59,168
2015	180,000	146,430	95,000	55,568
2016	190,000	138,911	100,000	51,768
2017	190,000	130,836	105,000	47,768
2018	205,000	122,055	110,000	43,568
2019	215,000	112,475	115,000	39,113
2020	225,000	102,166	120,000	34,455
2021	225,000	91,290	125,000	29,415
2022	245,000	79,571	130,000	24,165
2023	250,000	66,980	140,000	18,705
2024	270,000	53,778	145,000	12,685
2025	270,000	39,400	150,000	6,450
2026	290,000	24,380	-	-
2027	305,000	8,265	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
TOTAL	\$ 3,240,000	\$ 1,269,942	\$ 1,425,000	\$ 422,828

2010 Street Bonds		
Limited Tax Bond		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 405,000	\$ 340,756	\$ 1,228,329
410,000	332,606	1,219,604
420,000	324,044	1,224,723
430,000	313,131	1,216,735
445,000	297,781	1,223,404
465,000	279,581	1,226,169
485,000	260,581	1,227,202
505,000	240,781	1,216,486
520,000	222,556	1,221,292
540,000	205,656	1,221,341
555,000	187,516	1,223,979
575,000	168,375	1,209,225
595,000	146,700	1,056,080
620,000	122,400	1,055,665
645,000	97,100	742,100
675,000	70,700	745,700
700,000	43,200	743,200
730,000	14,600	744,600
<u>\$ 9,720,000</u>	<u>\$ 3,668,065</u>	<u>\$ 19,745,835</u>

CITY OF ELKO
TOTAL AND UNFUNDED ACCRUED LIABILITIES
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATE OF NEVADA
FOR THE YEARS ENDED JUNE 30
(UNAUDITED)

	All Members	
	June 30, 2012	June 30, 2011
Total Actuarial Accrued Liability	\$ 38,604,872,754	\$ 36,876,192,167
Net Assets at Actuarial Value	27,398,984,856	25,871,139,710
Unfunded Actuarial Accrued Liability	\$ 11,205,887,898	\$ 11,005,052,457
Assets as % of Total Accrued Liability	70.97%	70.16%

Source: June 30, 2012 Public Employees' Retirement System of Nevada
Comprehensive Annual Financial Report

**CITY OF ELKO
GENERAL FUND - PUBLIC SAFETY
ARFF FACILITY EXPENSES RELATED TO ELKO REGIONAL AIRPORT
FOR THE YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The following are related to the ARFF Facility expenses attributable to the Elko Regional Airport. These expenses are included in the General Fund:

Driver / Operator II:	
Salary	\$ 67,159
Benefits	43,843
	<u>111,002</u>
 Total Driver / Operator II's needed for Elko Regional Airport	 <u>3</u>
 Total Expenses Related to the Elko Regional Airport	 <u>\$ 333,006</u>

COMPLIANCE SECTION



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

To the Honorable Mayor and City Council of Elko, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, 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 remaining aggregate fund information of the City of Elko, State of Nevada, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Elko's basic financial statements and have issued our report thereon dated January 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Elko's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Elko's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Elko'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 Questioned Costs 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 Questioned Costs to be material weaknesses (items 2013-001, 2013-002 and 2013-003).

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 Questioned Costs to be a significant deficiency (item 2013-004).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Elko'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Elko, State of Nevada's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Elko'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 City of Elko's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kafoury, Armstrong & Co.

Elko, Nevada
January 13, 2014

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND THE PASSENGER FACILITY CHARGE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133 AND THE PASSENGER FACILITY
CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES**

To the Honorable Mayor and City Council of Elko, Nevada

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program

We have audited the City of Elko, State of Nevada's (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and have audited the City's compliance with the types of compliance requirements in the *Passenger Facility Charge Audit Guide for Public Agencies (Guide)*, issued by the Federal Aviation Administration for its passenger facility charge program for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the Guide. Those standards, OMB Circular A-133, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the City of Elko complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and the passenger facility charge program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of the City of Elko is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program and the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the passenger facility charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Elko's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.

Kafoury, Armstrong & Co.

Elko, Nevada
January 13, 2014

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CITY OF ELKO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture:</u>			
Passed through Nevada Division of Forestry: Cooperative Forestry Assistance	10.664	USDA/11/UF/01	\$ <u>14,475</u>
Total Department of Agriculture			<u>14,475</u>
<u>U.S. Department of Justice:</u>			
Direct Program: Equitable Sharing Program - Narcotics Seizure Funds	16.922	n/a	7,297
Passed through Nevada Department of Public Safety: JAG Program Cluster: Juvenile Justice and Delinquency Prevention Grant	16.738	12-JAG-11	21,494
Office of Narcotic Control Assistance	16.738	11-JAG-10	<u>28,929</u>
			<u>50,423</u>
Passed through Nevada Office of Criminal Justice Assistance: ARRA Department Security Initiative - Equipment	16.803	09-ARRA-61	<u>34,721</u>
Total JAG Program Cluster			<u>85,144</u>
Passed through Partners Allied for Community Excellence: Enforcing Underage Drinking Laws Program	16.727	N/A	<u>339</u>
Total Department of Justice			<u>92,780</u>
<u>U.S. Department of Transportation:</u>			
Direct Programs: Airport Improvement Program	20.106	3-32-0005-36	7,125
Airport Improvement Program	20.106	3-32-0005-41	<u>2,113,944</u>
			<u>2,121,069</u>
Passed through State of Nevada Department of Transportation and Public Safety: Highway Safety Cluster: Traffic Safety Enforcement Grant	20.601	29-JF-1.05	3,468
Traffic Safety Enforcement Grant	20.602	29-JF-1.06	<u>3,671</u>
Total Highway Safety Cluster			<u>7,139</u>
Total Department of Transportation			<u>2,128,208</u>
<u>U.S. Department of Homeland Security:</u>			
Passed through State of Nevada Department of Public Safety: Disaster Grants - Public Assistance Emergency Management Performance Grant	97.042	9704210	<u>27,574</u>
Passed through Elko County: Homeland Security Grant Program: State Homeland Security Program	97.067	97067HL8	2,912
State Homeland Security Program	97.067	97067HL0	<u>51,824</u>
			<u>54,736</u>
Total Department of Homeland Security			<u>82,310</u>
Total Expenditures of Federal Awards			\$ <u><u>2,317,773</u></u>

Note 1 - BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Elko and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

CITY OF ELKO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2013
 (Page 1 of 3)

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness identified? X yes no
- Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards and Passenger Facility Charge Program:

Internal control over major programs and the Passenger Facility Charge Program:

- Material weakness identified? yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs and the Passenger Facility Charge Program: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes X no

Any audit findings disclosed that are required to be reported in accordance with the *Passenger Facility Charge Audit Guide for Public Agencies*? yes X no

Identification of major programs:

20.106 - Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low risk auditee under Section 530 of OMB Circular A-133? yes X no

CITY OF ELKO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013
(Page 2 of 3)

SECTION II - FINANCIAL STATEMENT FINDINGS

Material weakness:

Finding 2013-001
Capital Assets:

Criteria: Controls should be in place to ensure the proper recording of capital assets. This will reduce the risk of misstatements in the financial statements.

Condition: During our audit, we noted land sales for the governmental activities totaling \$1,145,865 were not removed from the capital asset listing. Of the amount \$266,000 was for land sales in the current fiscal year and \$879,865 were for land sales in fiscal year 2000 and 2006 which resulted in a prior period adjustment.

Effect: Misstatement of the City of Elko financial statements.

Cause: The capital asset deletions were not properly reviewed to ensure all deletions were properly accounted for.

Recommendation: We recommend the City examine its control processes to ensure all capital asset sale proceeds are reconciled to the capital asset listing to ensure the capital asset is deleted.

Management's Response: The City has implemented new financial software which will make it easier for management to monitor all capital assets and add and delete assets at the time of acquisition or disposal.

Material weakness:

Finding 2013-002
Health Insurance Fund:

Criteria: Controls should be in place to ensure the proper recording of all payables and receivables related to the Health Insurance Internal Service Fund. This will reduce the risk of misstatements in the financial statements.

Condition: During our audit, we noted receivables from stop loss reimbursements totaling \$27,066 were not recorded as of June 30, 2013. In addition, we noted that Claims Incurred but not Reported for health insurance claims totaling \$134,930 at June 30, 2013 were not recorded.

Effect: Misstatement of the City of Elko financial statements.

Cause: The City of Elko became partially self insured effective July 1, 2012 and these amounts were erroneously not recorded, due to their not being part of the normal year end close process.

Recommendation: We recommend these entries be included in the year end close process performed by management.

Management's Response: Going forward with the City's self-insured health insurance program, we will implement recurring entries to record all accounts payables and accounts receivables at year end.

CITY OF ELKO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013
(Page 3 of 3)

Material weakness:

Finding 2013-003
Accounts Payable:

Criteria: Controls should be in place to ensure the proper recording of all payables at June 30, 2013, in order to reduce the risk of misstatement to the financial statements.

Condition: During our audit, we noted accounts payables for electricity for the Water, Sewer and Golf Funds totaling \$100,476 were not recorded. In addition, the 4th quarter clerical fees for Central Dispatch totaling \$6,131 were not recorded as an accounts payable.

Effect: Misstatement of the City of Elko financial statements.

Cause: The transactions were missed in the year end recording.

Recommendation: Management should examine its controls over the recording of accounts payable to ensure that these transactions are recorded properly.

Management's Response: Management will make a check list of all actions required at year end to make sure that no accounts payables entries are missed going forward.

Significant Deficiency:

Finding 2013-004
Payroll processing

Criteria: Controls should be in place to ensure payroll transactions are properly processed throughout the year, in order to reduce the risk of misstatement to the financial statements.

Condition: During our audit, we noted two employees were paid longevity payments that were incorrect. One employee was overpaid by \$75 and one employee was underpaid by \$50, both of these were due to the wrong information being input into an excel spreadsheet. In addition, we noted several errors in the excel spreadsheet for the sick leave accruals, where the incorrect years were used in the accrual which resulted in the accrual being incorrectly recorded by \$24,823 for governmental activities and \$3,403 for business-type activities.

Effect: Misstatement of the City of Elko financial statements.

Cause: The excel spreadsheet maintained to track longevity was not properly maintained for terminations and pay rates, which resulted in the error for the two employees. The excel spreadsheet maintained for compensated absences referenced the incorrect cell which resulted in the years of service calculating incorrectly for sick leave.

Recommendation: We recommend management review its controls in place for payroll processing to ensure payroll excel spreadsheets are reviewed by an individual other than the preparer to ensure they are correct. In addition, for longevity payouts the spreadsheet should be maintained as the source document to support the amounts paid out.

Management's Response: Implementation of the new financial system allows the longevity payments to be computerized rather than manually entered. The payments are linked to a schedule specific to the benefit group, thus alleviating manual entry error. Also the new financial system has business analytics which should help with errors on the calculating of service time for compensated absences. We have implemented a system that takes as much manual data entry and calculation out of the equation as possible.

SECTION III - FEDERAL AWARDS AND PASSENGER FACILITY CHARGE PROGRAM FINDINGS AND QUESTIONED COSTS:

There were no findings related to the federal awards and the Passenger Facility Charge Program for the year ended June 30, 2013.

**CITY OF ELKO
SCHEDULE OF PASSENGER
FACILITY CHARGES COLLECTED AND EXPENDED
FOR THE YEAR ENDED JUNE 30, 2013**

Balance July 1, 2012	\$ -
Collection of Passenger Facility Charges July 1, 2012 through June 30, 2013	78,962
Interest Earned	-
Proceeds expended for Passenger Facility Charge Projects July 1, 2012 through June 30, 2013	<u>(78,962)</u>
Balance June 30, 2013	<u>\$ -</u>

The Schedule of Passenger Facility Charges is presented on the modified accrual basis of accounting.

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AUDITOR'S COMMENTS

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**CITY OF ELKO
AUDITOR'S COMMENTS
JUNE 30, 2013**

CURRENT YEAR STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and Nevada Administrative Code is contained in Note 3 to the financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

In the prior year, apparent violations of NRS 354.626 occurred in various funds. The City monitored expenditures during the current year in order to prevent overexpenditures, however, as reported in Note 3 to the financial statements, there were isolated instances of over-expenditures at June 30, 2013.

DISPOSITION OF PRIOR YEAR RECOMMENDATIONS

The prior year audit finding was not implemented. The City of Elko is currently implementing new software which will result in the finding being implemented.

CURRENT YEAR AUDIT RECOMMENDATIONS

Our recommendation for the current year is included in the Schedule of Findings and Questioned Costs.

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CITY OF ELKO
SCHEDULE OF FEES IMPOSED SUBJECT TO THE
PROVISION OF NRS 354.5989
LIMITATION OF FEES FOR BUSINESS LICENSES
FOR THE YEAR ENDED JUNE 30, 2013

Flat Fixed Fees:

Business license revenue for the year ended June 30, 1991 (base year) adjusted through June 30, 2012		\$ 554,867
--	--	------------

Adjustment to Base:

Base year adjusted percentage increase in population of the local government	2.2%	
Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	3.2%	<u> x 5.4%</u>
		<u>29,963</u>

Adjusted base at June 30, 2013

584,830

Actual revenue

533,414

Amount over (under) allowable amount

\$ (51,416)

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