

CITY OF ELY

501 Mill Street Ely, Nevada 89301

City Hall (775) 289-2430

Fax (775) 289-1463

Date: January 10, 2023

To: Mayor Robertson

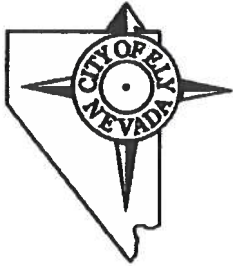
From: Janette Trask, Treasurer/HR Director

RE: 1/12/2023 Agenda Items:

B-10 - Councilman Alworth – Discussion/For Possible Action – Approval to request a “Statement of Opinion” in writing from City of Ely Auditors Keddington & Christensen, CPA’s as to any revenue generated by the operation or existence of the Northern Nevada Railway from Cobre milepost 0 to McGill Junction milepost 128.5 on the rail line that should be recorded in the established Railroad Enterprise Fund and used to pay for any expenses associated with the same operations or existence of the Northern Nevada Railway from Cobre milepost 0 to McGill Junction milepost 128.5, versus comingling the revenue and expenses with other governmental activities.

I have contacted Ben Bailey, CPA for Keddington & Christensen, LLC to inquire about this issue. Keddington & Christensen, LLC could give an opinion in writing regarding the above-mentioned item as part of the audit for the fiscal year 2023 if it was needed. Or if the City would like a written statement sooner, we would need to have a separate contract for that scope of work.

It is my opinion this issue has already been addressed in the December 8, 2022, council meeting. The railroad expenses are being paid for and continue to be paid for out of the General Fund (audits, liability insurance and legal fees). This Railroad Enterprise Fund was created when the City and the Railroad purchased that portion of the line and is not used for any day-to-day operation of the railroad. As of the December 8, 2022, meeting the 45G Tax Credit have been committed for the legal fees for the railroad and are not being comingled with other revenues.



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Date: January 10, 2023

To: Mayor Robertson

From: Janette Trask, Treasurer/HR Director

RE: 1/12/2023 Agenda Items:

B-9 - Councilman Alworth – Discussion/For Possible Action – Direct City Treasurer to contact the Nevada Department of Taxation for information on the purpose of the last page in city audits dealing with business license fees and the Consumer Price Index, to be reviewed by staff and elected officials in a future City Council meeting.

When this issue was first brought to my attention on January 3, 2023, I tried to contact Evelyn Barragan, State of Nevada Taxation Budget Analyst for the City of Ely, to inquire about this page. As of Friday, January 6, 2023, I have left two voice mails and an email to inquire about it. As of today, January 10, 2023, I have not heard back from her. I did contact Ben Bailey, CPA from Keddington & Christensen LLC, and he referred me to NRS 354.5989 which refers to the above-mentioned page as a requirement for the audit, which I have attached a copy of.

I will inform the Council and staff any information as I find out.

NRS 354.5989 Limitations on fees for business licenses; exceptions.

1. A local government shall not increase any fee for a business license or adopt a fee for a business license issued for revenue or regulation, or both, except as permitted by this section. This prohibition does not apply to fees:

(a) Imposed by hospitals, county airports, airport authorities, convention authorities, the Las Vegas Valley Water District or the Clark County Sanitation District;

(b) Imposed on public utilities for the privilege of doing business pursuant to a franchise;

(c) Imposed in compliance with the provisions of NRS 711.670 on video service providers for the privilege of doing business pursuant to chapter 711 of NRS;

(d) For business licenses which are calculated as a fraction or percentage of the gross revenue of the business;

(e) Imposed pursuant to NRS 244.348, 268.0973, 268.821 or 269.182; or

(f) Regulated pursuant to NRS 354.59881 to 354.59889, inclusive.

2. The amount of revenue the local government derives or is allowed to derive, whichever is greater, from all fees for business licenses except:

(a) The fees excluded by subsection 1, for the fiscal year ended on June 30, 1991; and

(b) The fees collected for a particular type of business during the immediately preceding fiscal year ending on June 30 that a local government will not collect in the next subsequent fiscal year,

↪ is the base from which the maximum allowable revenue from such fees must be calculated for the next subsequent fiscal year. To the base must be added the sum of the amounts respectively equal to the product of the base multiplied by the percentage increase in the population of the local government added to the 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. The amount so determined becomes the base for computing the allowed increase for each subsequent year.

3. A local government may not increase any fee for a business license which is calculated as a fraction or percentage of the gross revenue of the business if its total revenues from such fees have increased during the preceding fiscal year by more than the increase in the Consumer Price Index during that preceding calendar year. The provisions of this subsection do not apply to a fee:

(a) Imposed in compliance with the provisions of NRS 711.670 on video service providers for the privilege of doing business pursuant to chapter 711 of NRS;

(b) Imposed pursuant to NRS 244.348, 268.0973, 268.821 or 269.182; or

(c) Regulated pursuant to NRS 354.59881 to 354.59889, inclusive.

4. A local government may submit an application to increase its revenue from fees for business licenses beyond the amount allowable pursuant to this section to the Nevada Tax Commission, which may grant the application only if it finds that the rate of a business license of the local government is substantially below that of other local governments in the State.

5. The provisions of this section apply to a business license regardless of the fund to which the revenue from it is assigned. An ordinance or resolution enacted by a local government in violation of the provisions of this section is void.

6. As used in this section, "fee for a business license" does not include a tax imposed on the revenues from the rental of transient lodging.

(Added to NRS by 1981, 308; A 1981, 1254; 1983, 1053; 1987, 808; 1989, 2078; 1991, 34, 1439; 1993, 1179, 2325; 1995, 695, 2190; 1999, 1312; 2007, 1384)

NRS 354.624 Annual audit: Requirements; designation of auditor; scope and disposition; dissemination; prohibited provision in contract with auditor.

1. Each local government shall provide for an annual audit of all of its financial statements. A local government may provide for more frequent audits as it deems necessary. Except as otherwise provided in subsection 2, each annual audit must be concluded and the report of the audit submitted to the governing body as provided in subsection 6 not later than 5 months after the close of the fiscal year for which the audit is conducted. An extension of this time may be granted by the Department of Taxation to any local government that submits an application for an extension to the Department. If the local government fails to provide for an audit in accordance with the provisions of this section, the Department of Taxation shall cause the audit to be made at the expense of the local government. All audits must be conducted by a certified public accountant or by a partnership or professional corporation that is registered pursuant to chapter 628 of NRS.

2. The annual audit of a school district must:

(a) Be concluded and the report submitted to the board of trustees as provided in subsection 6 not later than 4 months after the close of the fiscal year for which the audit is conducted.

(b) If the school district has more than 150,000 pupils enrolled, include an audit of the expenditure by the school district of public money used:

- (1) To design, construct or purchase new buildings for schools or related facilities;
- (2) To enlarge, remodel or renovate existing buildings for schools or related facilities; and
- (3) To acquire sites for building schools or related facilities, or other real property for purposes related to schools.

3. The governing body may, without requiring competitive bids, designate the auditor or firm annually. The auditor or firm must be designated, and notification of the auditor or firm designated must be sent to the Department of Taxation not later than 3 months before the close of the fiscal year for which the audit is to be made.

4. Each annual audit must cover the business of the local government during the full fiscal year. It must be a financial audit conducted in accordance with generally accepted auditing standards in the United States, including findings on compliance with statutes and regulations and an expression of opinion on the financial statements. The Department of Taxation shall prescribe the form of the financial statements, and the chart of accounts must be as nearly as possible the same as the chart that is used in the preparation and publication of the annual budget. The report of the audit must include:

- (a) A schedule of all fees imposed by the local government which were subject to the provisions of NRS 354.5989;
- (b) A comparison of the operations of the local government with the approved budget, including a statement from the auditor that indicates whether the governing body has taken action on the audit report for the prior year;
- (c) If the local government is subject to the provisions of NRS 244.186, a report showing that the local government is in compliance with the provisions of paragraphs (a) and (b) of subsection 1 of NRS 244.186; and
- (d) If the local government is subject to the provisions of NRS 710.140 or 710.145, a report showing that the local government is in compliance with the provisions of those sections with regard to the facilities and property it maintains and the services it provides outside its territorial boundaries.

5. Each local government shall provide to its auditor:

(a) A statement indicating whether each of the following funds established by the local government is being used expressly for the purposes for which it was created, in the form required by NRS 354.6241:

- (1) An enterprise fund.
- (2) An internal service fund.
- (3) A fiduciary fund.
- (4) A self-insurance fund.
- (5) A fund whose balance is required by law to be:

(I) Used only for a specific purpose other than the payment of compensation to a bargaining unit, as defined in NRS 288.134; or

(II) Carried forward to the succeeding fiscal year in any designated amount.

(b) A list and description of any property conveyed to a nonprofit organization pursuant to NRS 244.287 or 268.058.

(c) If the local government is subject to the provisions of NRS 244.186, a declaration indicating that the local government is in compliance with the provisions of paragraph (c) of subsection 1 of NRS 244.186.

(d) If the local government is subject to the provisions of NRS 710.140 or 710.145, a declaration indicating that the local government is in compliance with the provisions of those sections with regard to the facilities and property it maintains and the services it provides outside its territorial boundaries.

6. The opinion and findings of the auditor contained in the report of the audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted to it. Immediately thereafter, the entire report, together with the management letter required by generally accepted auditing standards in the United States or by regulations adopted pursuant to NRS 354.594, must be filed as a public record with:

- (a) The clerk or secretary of the governing body;
- (b) The county clerk;
- (c) The Department of Taxation; and
- (d) In the case of a school district, the Department of Education.

7. After the report of the audit is filed by the local government, the report of the audit, including, without limitation, the opinion and findings of the auditor contained in the report of the audit, may be disseminated by or on behalf of the local government for which the report was prepared by inclusion, without limitation, in or on:

- (a) An official statement or other document prepared in connection with the offering of bonds or other securities;
- (b) A filing made pursuant to the laws or regulations of this State;
- (c) A filing made pursuant to a rule or regulation of the Securities and Exchange Commission of the United States;

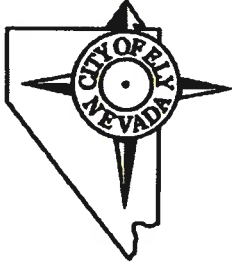
or

(d) A website maintained by a local government on the Internet or its successor,
↳ without the consent of the auditor who prepared the report of the audit. A provision of a contract entered into between an auditor and a local government that is contrary to the provisions of this subsection is against the public policy of this State and is void and unenforceable.

8. If an auditor finds evidence of fraud or dishonesty in the financial statements of a local government, the auditor shall report such evidence to the appropriate level of management in the local government.

9. The governing body shall act upon the recommendations of the report of the audit within 3 months after receipt of the report, unless prompter action is required concerning violations of law or regulation, by setting forth in its minutes its intention to adopt the recommendations, to adopt them with modifications or to reject them for reasons shown in the minutes.

(Added to NRS by 1965, 735; A 1967, 939; 1969, 800; 1971, 1344; 1973, 184; 1975, 451, 1688, 1801; 1977, 547; 1981, 313, 1768; 1987, 1043; 1989, 620; 1995, 1896, 1935; 1997, 574, 1611, 1739; 1999, 472, 2945; 2001, 1810; 2003, 1231; 2005, 292, 1344)



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Date: January 10, 2023

To: Mayor Robertson

From: Janette Trask, Treasurer/HR Director

RE: 1/12/2023 Agenda Items:

B-7 Councilman Alworth – Discussion/For Possible Action – Direct City Treasurer to request Schedule of Revenues, Expenses, and Changes in Net Position page for the Railroad Enterprise Fund for the Year Ended June 30, 2022, from Keddington & Christensen, CPAs, to be provided to the Nevada Department of Taxation.

B-8 Councilman Alworth – Discussion/For Possible Action – Direct City Treasurer to request that Keddington & Christensen, CPAs include Schedule of Revenues, Expenses, and Changes in Net Position page for the Railroad Enterprise Fund in all future audits.

The City of Ely has been using Keddington and Christensen, LLC as an independent auditor since at least the fiscal year 2016. From fiscal year 2016 to fiscal year 2020, Hinton and Burdick, CPA was contracted to do our financial statements. The financial statement is included with the audit report as one document. Keddington & Christensen LLC was contracted to do both the financial statement starting with fiscal year 2021.

There is a Statement of Net Position for Proprietary Funds and the Schedule of Revenues, Expenditures, and Changes in Net Position Budget and Actual for Proprietary Funds that is part of the financial statement. I have included with this memo a copy of the pages for the years audit and financial records for fiscal years 2016 through 2022. For 2021 and 2022, there is no Schedule of Revenues, Expenditures, and Changes in Net Position Budget and Actual for the Railroad Enterprise Fund. For 2017-2020 there is a Schedule of Revenues, Expenditures, and Changes in Net Position Budget and Actual due to activity in the Railroad Enterprise Fund. Also included are the pages of the financial reports for 2016-2022 of the Statement of Net Position Proprietary Funds that shows all the enterprise funds including the Railroad Enterprise Fund.

After consulting with Keddington & Christensen LLC, the Schedule of Revenues, Expenditures, and Changes in Net Position Budget, it is not required if there is no activity. If the City wishes to have it included for the City's purposes, it can be done. It is my opinion that it isn't necessary.

The City of Ely is an equal opportunity provider and employer.

All the financial statements and audits through fiscal year 2022 have been approved by the City Council. State of Nevada Taxation has accepted all years through 2021. I have not received notice for the fiscal year 2022 report at this time.

The City of Ely is an equal opportunity provider and employer.

CITY OF ELY, NEVADA
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Water Fund	Sanitation Fund	Landfill Fund	(Non-Major) Railroad Fund	Total Proprietary Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 1,591,396	\$ 1,335,672	\$ 1,084,370	\$ -	\$ 4,011,438
Cash - designated	795,748	1,232,454	615,760	-	2,643,962
Receivables, net of allowance	230,774	146,535	157,417	-	534,726
Due from other governments	-	-	-	428,431	428,431
Prepaid expense	1,264	-	-	-	1,264
Inventory	51,196	-	-	-	51,196
Total current assets	2,670,378	2,714,661	1,857,547	428,431	7,671,017
Noncurrent assets:					
Restricted cash and cash equivalents	77,417	135,784	1,177,893	-	1,391,094
Capital assets:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction-in-progress	6,250	6,250	6,250	540,453	559,203
Treatment facilities and improvements	13,729,811	10,066,173	373,098	-	24,169,082
Machinery, equipment and vehicles	488,781	271,511	1,258,164	-	2,018,456
Less accumulated depreciation	(6,763,470)	(5,255,266)	(998,595)	-	(13,017,331)
Total noncurrent assets	7,664,435	5,224,452	1,831,642	2,240,453	16,960,982
Other assets:					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	10,376,613	7,939,113	3,689,189	2,668,884	24,673,799
Deferred Outflow of Resources					
Deferred outflows related to pensions	82,773	47,299	130,073	-	260,145
Total deferred outflows	\$ 82,773	\$ 47,299	\$ 130,073	\$ -	\$ 260,145
Liabilities					
Current liabilities:					
Accounts payable	\$ 96,375	\$ 34,485	\$ 24,580	\$ 378,863	\$ 534,303
Accrued liabilities	-	3,341	7,590	-	10,931
Accrued interest	3,896	6,525	-	-	10,421
Due to other funds	-	-	-	80,443	80,443
Current portion of noncurrent liabilities	27,637	33,152	-	-	60,789
Total current liabilities	127,908	77,503	32,170	459,306	696,887
Noncurrent liabilities:					
Compensated absences	3,524	1,513	25,363	-	30,400
Net OPEB obligation	16,082	14,790	25,374	-	56,246
Net pension liability	229,683	131,248	360,930	-	721,861
Bonds payable	850,290	1,550,587	-	-	2,400,877
Less current portion of noncurrent liabilities	(27,637)	(33,152)	-	-	(60,789)
Landfill closure/post closure costs	-	-	1,177,893	-	1,177,893
Total noncurrent liabilities	1,071,942	1,664,986	1,589,560	-	4,326,488
Total liabilities	1,199,850	1,742,489	1,621,730	459,306	5,023,375
Deferred Inflow of Resources					
Deferred inflows related to pensions	29,717	16,981	46,698	-	93,396
Total deferred inflows	29,717	16,981	46,698	-	93,396
Net Position					
Net investment in capital assets	6,778,528	3,538,081	653,749	2,240,453	13,210,811
Restricted for debt service	77,417	135,784	-	-	213,201
Restricted for capital improvements	899,769	409,376	-	-	1,309,145
Restricted for landfill closure/post closure costs net of related liabilities	-	-	-	-	-
Unrestricted - designated	795,748	1,232,454	615,760	-	2,643,962
Unrestricted	678,357	911,247	881,325	(30,875)	2,440,054
Total net position	\$ 9,229,819	\$ 6,226,942	\$ 2,150,834	\$ 2,209,578	\$ 19,817,173

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

CITY OF ELY, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Water Fund	Sanitation Fund	Landfill Fund	(Non-Major) Railroad Fund	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 1,161,339	\$ 1,047,880	\$ 1,017,882	\$ -	\$ 3,227,101
Operating expenses					
Salaries and wages	303,244	197,646	432,360	-	933,250
Employee benefits	165,588	136,376	212,103	-	514,067
Service, supplies and other	389,726	395,498	201,906	13,071	1,000,201
Landfill closure/post closure costs	-	-	134,805	-	134,805
Depreciation and amortization	346,814	233,485	96,166	-	676,465
Total operating expenses	1,205,372	963,005	1,077,340	13,071	3,258,788
Operating income (loss)	(44,033)	84,875	(59,458)	(13,071)	(31,687)
Nonoperating revenues (expenses)					
Interest income	2,906	3,794	3,264	-	9,964
Rent income	4,108	-	-	-	4,108
Miscellaneous income	1,849	3,458	67,203	-	72,510
System obligation fees	-	-	-	-	-
Grant revenue	234,072	-	-	378,863	612,935
Interest expense	(43,235)	(74,098)	-	-	(117,333)
Miscellaneous expense	(247,777)	-	-	(135)	(247,912)
Total nonoperating revenues (expenses)	(48,077)	(66,846)	70,467	378,728	334,272
Income before transfers	(92,110)	18,029	11,009	365,657	302,585
Transfers	-	-	-	-	-
Change in net position	(92,110)	18,029	11,009	365,657	302,585
Total net position, beginning of year	9,321,929	6,208,913	2,139,825	1,843,921	19,514,588
Total net position, end of year	\$ 9,229,819	\$ 6,226,942	\$ 2,150,834	\$ 2,209,578	\$ 19,817,173

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

CITY OF ELY, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Water Fund	Sanitation Fund	Landfill Fund	(Non-Major) Railroad Fund	Total Proprietary Funds
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,131,077	\$ 1,012,803	\$ 1,099,067	\$ -	\$ 3,242,947
Cash paid to employees	(469,327)	(305,629)	(661,851)	-	(1,436,807)
Cash paid to suppliers	(303,756)	(397,407)	(189,883)	(13,071)	(904,117)
Net cash flows from operating activities	<u>357,994</u>	<u>309,767</u>	<u>247,333</u>	<u>(13,071)</u>	<u>902,023</u>
Cash Flows From Noncapital Financing Activities:					
Cash received from grants	234,072	-	-	378,863	612,935
Cash received from miscellaneous sources	1,849	3,458	67,203	-	72,510
Cash received from rental payments	4,108	-	-	-	4,108
Cash transferred (to) from other funds	-	-	-	28,614	28,614
Cash paid for grant activities	(247,777)	-	-	(135)	(247,912)
Net cash flows from noncapital financing activities	<u>(7,748)</u>	<u>3,458</u>	<u>67,203</u>	<u>407,342</u>	<u>470,255</u>
Cash Flows From Capital and Related Financing Activities:					
Principal paid on capital debt	(26,314)	(34,455)	-	-	(60,769)
Interest paid on capital debt	(43,235)	(74,098)	-	-	(117,333)
Acquisition and construction of capital assets	(320,798)	(289,337)	(93,529)	(394,271)	(1,097,935)
Net cash flows from capital and related financing activities	<u>(390,347)</u>	<u>(397,890)</u>	<u>(93,529)</u>	<u>(394,271)</u>	<u>(1,276,037)</u>
Cash Flows From Investing Activities:					
Interest on investments	2,906	3,794	3,264	-	9,964
Net change in cash and cash equivalents	(37,195)	(80,871)	224,271	-	106,205
Cash and investments, including restricted cash, beginning of year	<u>2,501,756</u>	<u>2,784,781</u>	<u>2,653,752</u>	<u>-</u>	<u>7,940,289</u>
Cash and Cash Equivalents, Including Restricted Cash, End of Year	<u>\$ 2,464,561</u>	<u>\$ 2,703,910</u>	<u>\$ 2,878,023</u>	<u>\$ -</u>	<u>\$ 8,046,494</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (44,033)	\$ 84,875	\$ (59,458)	\$ (13,071)	\$ (31,687)
Adjustments to reconcile net income (loss) to net cash provided by operating activities					
Depreciation/amortization	346,814	233,485	96,166	-	676,465
Employer Pension Contributions	(1,321)	24,657	(27,512)	-	(4,176)
Changes in operating assets, liabilities and deferred inflows and outflows					
(Increase) decrease in receivables	(30,262)	(35,077)	81,185	-	15,846
(Increase) decrease in prepaid expenses	5,105	-	-	-	5,105
(Increase) decrease in inventory	-	-	-	-	-
(Increase) decrease in due from other governments	-	-	-	(378,863)	(378,863)
Increase (decrease) in accounts payable	80,865	(1,909)	12,023	378,863	469,842
Increase (decrease) in accrued liabilities	395	1,314	2,008	-	3,717
Increase (decrease) in compensated absences payable	(964)	1,513	6,170	-	6,719
Increase (decrease) in OPEB payable	1,395	909	1,946	-	4,250
Increase (decrease) in landfill closure/post closure liability	-	-	134,805	-	134,805
Net cash flows from operating activities	<u>\$ 357,994</u>	<u>\$ 309,767</u>	<u>\$ 247,333</u>	<u>\$ (13,071)</u>	<u>\$ 902,023</u>

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

CITY OF ELY, NEVADA
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,549,654	\$ 2,042,489	\$ 1,929,611	\$ -	\$ 5,521,754
Receivables, net of allowance	205,647	99,274	147,173	-	452,094
Due from other funds	-	-	292,316	-	292,316
Due from other governments	-	-	-	149,936	149,936
Prepaid expense	1,264	-	-	-	1,264
Inventory	20,414	-	-	-	20,414
Total current assets	1,776,979	2,141,763	2,369,100	149,936	6,437,778
Noncurrent assets:					
Restricted cash and cash equivalents	1,291,559	702,624	718,591	-	2,712,774
Capital assets:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction-in-progress	39,599	13,251	-	-	52,850
Treatment facilities and improvements	13,760,919	10,549,752	416,752	-	24,727,423
Machinery, equipment and vehicles	488,781	281,561	1,258,164	-	2,028,506
Less accumulated depreciation	(7,118,783)	(5,478,833)	(1,099,193)	-	(13,696,859)
Total noncurrent assets	8,587,721	6,068,305	1,309,146	1,700,000	17,665,172
Other assets:					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	10,406,500	8,210,068	3,678,246	1,849,936	24,144,750
Deferred Outflow of Resources					
Deferred outflows related to pensions	94,600	63,067	189,201	-	346,868
Total deferred outflows	\$ 94,600	\$ 63,067	\$ 189,201	\$ -	\$ 346,868
Liabilities					
Current liabilities:					
Accounts payable	\$ 8,527	\$ 96,842	\$ 8,984	\$ -	\$ 114,353
Accrued liabilities	4,032	3,665	7,904	-	15,601
Accrued interest	3,896	6,525	-	-	10,421
Due to other funds	-	-	-	153,696	153,696
Customer Deposits	12,735	3,967	1,599	-	18,301
Current portion of noncurrent liabilities	29,051	34,761	-	-	63,812
Total current liabilities	58,241	145,760	18,487	153,696	376,184
Noncurrent liabilities:					
Compensated absences	4,464	-	26,178	-	30,642
Net OPEB obligation	15,324	14,296	24,317	-	53,937
Net pension liability	240,400	160,266	480,797	-	881,463
Bonds payable	824,112	1,517,435	-	-	2,341,547
Less current portion of noncurrent liabilities	(29,051)	(34,761)	-	-	(63,812)
Landfill closure/post closure costs	-	-	718,591	-	718,591
Total noncurrent liabilities	1,055,249	1,657,236	1,249,883	-	3,962,368
Total liabilities	1,113,490	1,802,996	1,268,370	153,696	4,338,552
Deferred Inflow of Resources					
Deferred inflows related to pensions	16,097	10,731	32,195	-	59,023
Total deferred inflows	16,097	10,731	32,195	-	59,023
Net Position					
Net investment in capital assets	6,513,850	3,848,246	590,555	1,700,000	12,652,651
Restricted for debt service	77,722	136,322	-	-	214,044
Restricted for capital improvements	1,213,837	566,302	-	-	1,780,139
Unrestricted	1,566,104	1,908,538	1,976,327	(3,760)	5,447,209
Total net position	\$ 9,371,513	\$ 6,459,408	\$ 2,566,882	\$ 1,696,240	\$ 20,094,043

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

CITY OF ELY, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 1,131,457	\$ 1,017,369	\$ 920,312	\$ -	\$ 3,069,138
Operating expenses					
Salaries and wages	264,441	181,923	435,431	-	881,795
Employee benefits	120,241	100,975	255,237	-	476,453
Service, supplies and other	253,463	242,574	248,636	-	744,673
Landfill closure/post closure costs	-	-	(459,301)	-	(459,301)
Depreciation and amortization	355,313	223,617	100,597	-	679,527
Total operating expenses	993,458	749,089	580,600	-	2,323,147
Operating income (loss)	137,999	268,280	339,712	-	745,991
Nonoperating revenues (expenses)					
Interest income	5,393	6,915	6,397	-	18,705
Rent income	5,021	-	-	-	5,021
Miscellaneous income	14,187	13,883	69,939	3,103	101,112
System obligation fees	20,463	16,493	-	-	36,956
Grant revenue	216,396	-	-	1,023,286	1,239,682
Grant expenses	-	-	-	(1,111,422)	(1,111,422)
Donations	-	-	-	106,920	106,920
Interest expense	(43,362)	(73,096)	-	-	(116,458)
Miscellaneous expense	(214,403)	(9)	-	-	(214,412)
Total nonoperating revenues (expenses)	3,695	(35,814)	76,336	21,887	66,104
Income before transfers	141,694	232,466	416,048	21,887	812,095
Transfers	-	-	-	5,227	5,227
Change in net position	141,694	232,466	416,048	27,114	817,322
Total net position, beginning of year	9,229,819	6,226,942	2,150,834	2,209,578	19,817,173
Prior period adjustment	-	-	-	(540,452)	(540,452)
Total net position, end of year	\$ 9,371,513	\$ 6,459,408	\$ 2,566,882	\$ 1,696,240	\$ 20,094,043

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

CITY OF ELY, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,169,319	\$ 1,068,596	\$ 932,155	\$ -	\$ 3,170,070
Cash paid to employees	(398,713)	(277,581)	(690,910)	-	(1,367,204)
Cash paid to suppliers	(307,014)	(180,216)	(217,682)	-	(704,912)
Net cash flows from operating activities	<u>463,592</u>	<u>610,799</u>	<u>23,563</u>	<u>-</u>	<u>1,097,954</u>
Cash Flows From Noncapital Financing Activities:					
Cash received from grants	216,396	-	-	1,301,782	1,518,178
Cash received from miscellaneous sources	14,187	13,883	69,939	3,103	101,112
Cash received from rental payments	5,021	-	-	-	5,021
Cash transferred (to) from other funds	-	-	(292,316)	78,480	(213,836)
Cash paid for grant activities	(214,403)	(9)	-	(1,383,365)	(1,597,777)
Net cash flows from noncapital financing activities	<u>21,201</u>	<u>13,874</u>	<u>(222,377)</u>	<u>-</u>	<u>(187,302)</u>
Cash Flows From Capital and Related Financing Activities:					
Cash received from system obligations	20,463	16,493	-	-	36,956
Principal paid on capital debt	(26,178)	(33,152)	-	-	(59,330)
Interest paid on capital debt	(43,362)	(73,096)	-	-	(116,458)
Acquisition and construction of capital assets	(64,457)	(500,630)	(37,404)	-	(602,491)
Net cash flows from capital and related financing activities	<u>(113,534)</u>	<u>(590,385)</u>	<u>(37,404)</u>	<u>-</u>	<u>(741,323)</u>
Cash Flows From Investing Activities:					
Interest on investments	5,393	6,915	6,397	-	18,705
Net change in cash and cash equivalents	376,652	41,203	(229,821)	-	188,034
Cash and investments, including restricted cash, beginning of year	<u>2,464,561</u>	<u>2,703,910</u>	<u>2,878,023</u>	<u>-</u>	<u>8,046,494</u>
Cash and Cash Equivalents, Including Restricted Cash, End of Year	<u>\$ 2,841,213</u>	<u>\$ 2,745,113</u>	<u>\$ 2,648,202</u>	<u>\$ -</u>	<u>\$ 8,234,528</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ 137,999	\$ 268,280	\$ 339,712	\$ -	\$ 745,991
Adjustments to reconcile net income (loss) to net cash provided by operating activities					
Depreciation/amortization	355,313	223,617	100,597	-	679,527
Employer Pension Contributions	(14,732)	7,000	46,235	-	38,503
Changes in operating assets, liabilities and deferred inflows and outflows:					
(Increase) decrease in receivables	25,127	47,260	10,244	-	82,631
(Increase) decrease in inventory	30,782	-	-	-	30,782
Increase (decrease) in accounts payable	(84,333)	62,358	(15,594)	-	(37,569)
Increase (decrease) in accrued liabilities	517	324	313	-	1,154
Increase (decrease) in customer deposits	12,735	3,967	1,599	-	18,301
Increase (decrease) in compensated absences payable	942	(1,513)	815	-	244
Increase (decrease) in OPEB payable	(758)	(494)	(1,057)	-	(2,309)
Increase (decrease) in landfill closure/post closure liability	-	-	(459,301)	-	(459,301)
Net cash flows from operating activities	<u>\$ 463,592</u>	<u>\$ 610,799</u>	<u>\$ 23,563</u>	<u>\$ -</u>	<u>\$ 1,097,954</u>

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

CITY OF ELY, NEVADA
Railroad Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2016
Operating revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
Operating expenses					
Services, supplies and other	35,000	35,000	-	35,000	13,071
Total operating expenses	35,000	35,000	-	35,000	13,071
Operating income (loss)	(35,000)	(35,000)	-	35,000	(13,071)
Nonoperating revenues (expenses)					
Interest income	-	-	-	-	-
Rent income	-	-	3,103	3,103	-
Grant income	53,000	1,076,286	1,023,286	(53,000)	378,863
Pass through grant expense	-	(1,111,422)	(1,111,422)	-	-
Donations	-	-	106,920	106,920	-
Legal expense	-	-	-	-	(135)
Total nonoperating revenues (expenses)	53,000	(35,136)	21,887	57,023	378,728
Transfers:	-	-	5,227	5,227	-
Change in net position	18,000	(70,136)	27,114	92,023	365,657
Total net position, beginning of year	2,209,578	2,209,578	2,209,578	-	1,843,921
Prior period adjustment	-	-	(540,452)	(540,452)	-
Total net position, end of year	<u>\$ 2,227,578</u>	<u>\$ 2,139,442</u>	<u>\$ 1,696,240</u>	<u>\$ 92,023</u>	<u>\$ 2,209,578</u>

CITY OF ELY, NEVADA
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,492,897	\$ 1,929,496	\$ 2,294,470	\$ -	\$ 5,716,863
Receivables, net of allowance	124,779	86,868	119,975	-	331,622
Due from other funds	-	-	36,220	-	36,220
Due from other governments	-	-	8,753	-	8,753
Prepaid expense	1,264	-	-	-	1,264
Inventory	20,414	-	-	-	20,414
Total current assets	1,639,354	2,016,364	2,459,418	-	6,115,136
Noncurrent assets:					
Restricted cash and cash equivalents	1,598,012	829,726	783,084	-	3,210,822
Capital assets:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction-in-progress	39,599	13,251	-	-	52,850
Treatment facilities and improvements	14,449,703	10,857,325	416,752	-	25,723,780
Machinery, equipment and vehicles	488,781	281,561	1,296,229	-	2,066,571
Less accumulated depreciation	(7,439,930)	(5,716,310)	(1,193,536)	-	(14,349,776)
Total noncurrent assets	9,261,811	6,265,553	1,317,361	1,700,000	18,544,725
Other assets:					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	10,942,965	8,281,917	3,776,779	1,700,000	24,701,661
Deferred Outflow of Resources					
Deferred outflows related to pensions	132,241	103,342	218,897	-	454,480
Deferred outflows related to OPEB	2,275	2,122	3,610	-	8,007
Total deferred outflows	\$ 134,516	\$ 105,464	\$ 222,507	\$ -	\$ 462,487
Liabilities					
Current liabilities:					
Accounts payable	\$ 54,426	\$ 7,337	\$ 17,393	\$ -	\$ 79,156
Accrued liabilities	4,583	3,914	9,771	-	18,268
Accrued interest	3,896	6,525	-	-	10,421
Due to other funds	-	-	-	3,760	3,760
Customer Deposits	16,432	7,243	5,122	-	28,797
Current portion of noncurrent liabilities	37,018	36,449	20,767	-	94,234
Total current liabilities	116,355	61,468	53,053	3,760	234,636
Noncurrent liabilities:					
Compensated absences	46,611	44,965	97,168	-	188,744
Net OPEB obligation	33,518	31,268	53,188	-	117,974
Net pension liability	464,445	362,950	768,792	-	1,596,187
Bonds payable	794,680	1,482,903	-	-	2,277,583
Less current portion of noncurrent liabilities	(37,018)	(36,449)	(20,767)	-	(94,234)
Landfill closure/post closure costs	-	-	783,084	-	783,084
Total noncurrent liabilities	1,302,236	1,885,637	1,681,465	-	4,869,338
Total liabilities	1,418,591	1,947,105	1,734,518	3,760	5,103,974
Deferred Inflow of Resources					
Deferred inflows related to pensions	63,777	49,840	105,570	-	219,187
Total deferred inflows	63,777	49,840	105,570	-	219,187
Net Position					
Net investment in capital assets	6,910,919	3,952,924	534,277	1,700,000	13,098,120
Restricted for debt service	69,540	106,249	-	-	175,789
Restricted for capital improvements	1,528,472	723,477	-	-	2,251,949
Unrestricted	1,086,182	1,607,786	1,624,921	(3,760)	4,315,129
Total net position	\$ 9,595,113	\$ 6,390,436	\$ 2,159,198	\$ 1,696,240	\$ 19,840,987

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

CITY OF ELY, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 1,134,511	\$ 1,046,620	\$ 1,008,780	\$ -	\$ 3,189,911
Operating expenses					
Salaries and wages	251,817	200,279	433,337	-	885,433
Employee benefits	386,484	340,037	594,283	-	1,320,804
Service, supplies and other	275,476	270,527	221,835	-	767,838
Landfill closure/post closure costs	-	-	64,493	-	64,493
Depreciation and amortization	321,147	237,427	94,451	-	653,025
Total operating expenses	1,234,924	1,048,270	1,408,399	-	3,691,593
Operating income (loss)	(100,413)	(1,650)	(399,619)	-	(501,682)
Nonoperating revenues (expenses)					
Interest income	3,176	4,145	4,234	-	11,555
Rent income	7,718	-	-	-	7,718
Miscellaneous income	20,178	23,917	56,164	-	100,259
System obligation fees	6,600	7,000	-	-	13,600
Grant revenue	645,237	-	-	-	645,237
Interest expense	(40,108)	(71,716)	-	-	(111,824)
Miscellaneous expense	(280,544)	-	-	-	(280,544)
Total nonoperating revenues (expenses)	362,257	(36,654)	60,398	-	386,001
Income before transfers	261,844	(38,304)	(339,221)	-	(115,681)
Transfers					
Change in net position	261,844	(38,304)	(339,221)	-	(115,681)
Total net position, beginning of year	9,371,513	6,459,408	2,566,882	1,696,240	20,094,043
Restatement adjustments	(38,244)	(30,668)	(68,463)	-	(137,375)
Total net position, end of year	\$ 9,595,113	\$ 6,390,436	\$ 2,159,198	\$ 1,696,240	\$ 19,840,987

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

CITY OF ELY, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,218,204	\$ 1,062,303	\$ 1,027,225	\$ -	\$ 3,307,732
Cash paid to employees	(386,669)	(309,395)	(668,271)	-	(1,364,335)
Cash paid to suppliers	(225,880)	(360,041)	(208,031)	-	(793,952)
Net cash flows from operating activities	<u>605,655</u>	<u>392,867</u>	<u>150,923</u>	<u>-</u>	<u>1,149,445</u>
Cash Flows From Noncapital Financing Activities:					
Cash received from grants	645,237	-	-	149,937	795,174
Cash received from miscellaneous sources	20,178	23,917	56,164	-	100,259
Cash received from rental payments	7,718	-	-	-	7,718
Cash transferred (to) from other funds	-	-	256,094	(149,937)	106,157
Cash paid for grant activities	(280,544)	-	-	-	(280,544)
Net cash flows from noncapital financing activities	<u>392,589</u>	<u>23,917</u>	<u>312,258</u>	<u>-</u>	<u>728,764</u>
Cash Flows From Capital and Related Financing Activities:					
Cash received from system obligations	6,600	7,000	-	-	13,600
Principal paid on capital debt	(29,432)	(34,532)	-	-	(63,964)
Interest paid on capital debt	(40,108)	(71,716)	-	-	(111,824)
Acquisition and construction of capital assets	(688,784)	(307,572)	(38,063)	-	(1,034,419)
Net cash flows from capital and related financing activities	<u>(751,724)</u>	<u>(406,820)</u>	<u>(38,063)</u>	<u>-</u>	<u>(1,196,607)</u>
Cash Flows From Investing Activities:					
Interest on investments	3,176	4,145	4,234	-	11,555
Net change in cash and cash equivalents	<u>249,696</u>	<u>14,109</u>	<u>429,352</u>	<u>-</u>	<u>693,157</u>
Cash and investments, including restricted cash, beginning of year	<u>2,841,213</u>	<u>2,745,114</u>	<u>2,648,202</u>	<u>-</u>	<u>8,234,529</u>
Cash and Cash Equivalents, Including Restricted Cash, End of Year	<u>\$ 3,090,909</u>	<u>\$ 2,759,223</u>	<u>\$ 3,077,554</u>	<u>\$ -</u>	<u>\$ 8,927,686</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (100,413)	\$ (1,650)	\$ (399,619)	\$ -	\$ (501,682)
Adjustments to reconcile net income (loss) to net cash provided by operating activities					
Depreciation/amortization	321,147	237,427	94,451	-	653,025
Employer Pension Contributions	212,450	188,989	293,939	-	695,378
Employer OPEB Contributions	(3,516)	(3,282)	(5,580)	-	(12,378)
Changes in operating assets, liabilities and deferred inflows and outflows:					
(Increase) decrease in receivables	83,693	12,407	18,445	-	114,545
Increase (decrease) in accounts payable	45,899	(89,514)	8,415	-	(35,200)
Increase (decrease) in accrued liabilities	551	249	1,866	-	2,666
Increase (decrease) in customer deposits	3,697	3,276	3,523	-	10,496
Increase (decrease) in compensated absences payable	42,147	44,965	70,990	-	158,102
Increase (decrease) in landfill closure/post closure liability	-	-	64,493	-	64,493
Net cash flows from operating activities	<u>\$ 605,655</u>	<u>\$ 392,867</u>	<u>\$ 150,923</u>	<u>\$ -</u>	<u>\$ 1,149,445</u>

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

CITY OF ELY, NEVADA
Railroad Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2017
Operating revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
Operating expenses					
Services, supplies and other	250	250	-	250	-
Total operating expenses	250	250	-	250	-
Operating income (loss)	(250)	(250)	-	250	-
Nonoperating revenues (expenses)					
Interest income	-	-	-	-	-
Rent income	-	-	-	-	3,103
Grant income	10,000	10,000	-	(10,000)	1,023,286
Pass through grant expense	-	-	-	-	(1,111,422)
Donations	-	-	-	-	106,920
Legal expense	-	-	-	-	-
Total nonoperating revenues (expenses)	10,000	10,000	-	(10,000)	21,887
Transfers:	-	-	-	-	5,227
Change in net position	9,750	9,750	-	(9,750)	27,114
Total net position, beginning of year	1,696,240	1,696,240	1,696,240	-	2,209,578
Prior period adjustment	-	-	-	-	(540,452)
Total net position, end of year	\$ 1,705,990	\$ 1,705,990	\$ 1,696,240	\$ (9,750)	\$ 1,696,240

CITY OF ELY, NEVADA
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,407,996	\$ 2,113,262	\$ 2,326,597	\$ -	\$ 5,847,855
Receivables, net of allowance	262,817	95,439	141,128	-	499,384
Due from other funds	-	-	155,467	-	155,467
Due from other governments	-	-	1,275	-	1,275
Prepaid expense	1,264	-	-	-	1,264
Inventory	57,348	-	-	-	57,348
Total current assets	1,729,425	2,208,701	2,624,467	-	6,562,593
Noncurrent assets:					
Restricted cash and cash equivalents	1,908,996	986,173	844,323	-	3,739,492
Capital assets:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction-in-progress	107,832	81,484	-	-	189,316
Treatment facilities and improvements	14,459,703	10,864,951	437,329	-	25,761,983
Machinery, equipment and vehicles	527,100	317,422	1,298,621	-	2,143,143
Less accumulated depreciation	(7,763,713)	(5,952,433)	(1,280,677)	-	(14,996,843)
Total noncurrent assets	9,365,564	6,297,577	1,314,428	1,700,000	18,677,569
Other assets:					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	11,136,789	8,506,278	3,938,895	1,700,000	25,281,962
Deferred Outflow of Resources					
Deferred outflows related to pensions	134,937	104,565	226,761	-	466,263
Deferred outflows related to OPEB	2,195	2,048	3,484	-	7,727
Total deferred outflows	\$ 137,132	\$ 106,613	\$ 230,245	\$ -	\$ 473,990
Liabilities					
Current liabilities:					
Accounts payable	\$ 34,762	\$ 17,753	\$ 13,134	\$ -	\$ 65,649
Accrued liabilities	8,702	6,927	14,824	-	30,453
Accrued interest	3,896	6,525	-	-	10,421
Customer Deposits	15,548	11,131	9,384	-	36,063
Current portion of noncurrent liabilities	48,603	43,813	42,818	-	135,234
Total current liabilities	111,511	86,149	80,160	-	277,820
Noncurrent liabilities:					
Compensated absences	27,679	9,636	71,364	-	108,679
Net OPEB obligation	31,379	29,273	49,793	-	110,445
Net pension liability	507,696	393,424	853,185	-	1,754,305
Bonds payable	763,013	1,448,943	-	-	2,211,956
Less current portion of noncurrent liabilities	(48,603)	(43,813)	(42,818)	-	(135,234)
Landfill closure/post closure costs	-	-	844,323	-	844,323
Total noncurrent liabilities	1,281,164	1,837,463	1,775,847	-	4,894,474
Total liabilities	1,392,675	1,923,612	1,856,007	-	5,172,294
Deferred Inflow of Resources					
Deferred inflows related to pensions	53,736	41,641	90,303	-	185,680
Total deferred inflows	53,736	41,641	90,303	-	185,680
Net Position					
Net investment in capital assets	6,735,355	3,862,461	470,105	1,700,000	12,767,921
Restricted for debt service	69,540	106,249	-	-	175,789
Restricted for capital improvements	1,839,456	879,924	-	-	2,719,380
Unrestricted	1,183,159	1,799,004	1,752,725	-	4,734,888
Total net position	\$ 9,827,510	\$ 6,647,638	\$ 2,222,830	\$ 1,700,000	\$ 20,397,978

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

CITY OF ELY, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 1,141,225	\$ 1,036,092	\$ 1,086,980	\$ -	\$ 3,264,297
Operating expenses					
Salaries and wages	227,290	182,431	406,867	-	816,588
Employee benefits	130,561	79,763	260,206	-	470,530
Service, supplies and other	292,524	299,693	255,792	-	848,009
Landfill closure/post closure costs	-	-	61,238	-	61,238
Depreciation and amortization	323,782	236,142	87,141	-	647,065
Total operating expenses	974,157	798,029	1,071,244	-	2,843,430
Operating income (loss)	167,068	238,063	15,736	-	420,867
Nonoperating revenues (expenses)					
Interest income	3,217	4,154	4,396	-	11,767
Rent income	1,281	-	-	-	1,281
Miscellaneous income	30,322	34,817	43,500	-	108,639
System obligation fees	49,535	41,300	-	-	90,835
Grant revenue	308,125	-	-	-	308,125
Interest expense	(32,078)	(61,132)	-	-	(93,210)
Miscellaneous expense	(295,073)	-	-	-	(295,073)
Total nonoperating revenues (expenses)	65,329	19,139	47,896	-	132,364
Income before transfers	232,397	257,202	63,632	-	553,231
Transfers					
Transfers in	-	-	-	3,760	3,760
Change in net position	232,397	257,202	63,632	3,760	556,991
Total net position, beginning of year	9,595,113	6,390,436	2,159,198	1,696,240	19,840,987
Total net position, end of year	\$ 9,827,510	\$ 6,647,638	\$ 2,222,830	\$ 1,700,000	\$ 20,397,978

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

CITY OF ELY, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,002,305	\$ 1,031,408	\$ 1,077,567	\$ -	\$ 3,111,280
Cash paid to employees	(344,209)	(275,379)	(629,831)	-	(1,249,419)
Cash paid to suppliers	(349,122)	(289,276)	(260,052)	-	(898,450)
Net cash flows from operating activities	<u>308,974</u>	<u>466,753</u>	<u>187,684</u>	<u>-</u>	<u>963,411</u>
Cash Flows From Noncapital Financing Activities:					
Cash received from grants	308,125	-	-	-	308,125
Cash received from miscellaneous sources	30,322	34,817	43,500	-	108,639
Cash received from rental payments	1,281	-	-	-	1,281
Cash transferred (to) from other funds	-	-	(119,246)	-	(119,246)
Cash paid for grant activities	(295,073)	-	-	-	(295,073)
Net cash flows from noncapital financing activities	<u>44,655</u>	<u>34,817</u>	<u>(75,746)</u>	<u>-</u>	<u>3,726</u>
Cash Flows From Capital and Related Financing Activities:					
Cash received from system obligations	49,535	41,300	-	-	90,835
Principal paid on capital debt	(31,667)	(33,960)	-	-	(65,627)
Interest paid on capital debt	(32,078)	(61,132)	-	-	(93,210)
Acquisition and construction of capital assets	(116,553)	(111,720)	(22,968)	-	(251,241)
Net cash flows from capital and related financing activities	<u>(130,763)</u>	<u>(165,512)</u>	<u>(22,968)</u>	<u>-</u>	<u>(319,243)</u>
Cash Flows From Investing Activities:					
Interest on investments	3,217	4,154	4,396	-	11,767
Net change in cash and cash equivalents	226,083	340,212	93,366	-	659,661
Cash and investments, including restricted cash, beginning of year	<u>3,090,909</u>	<u>2,759,223</u>	<u>3,077,554</u>	<u>-</u>	<u>8,927,686</u>
Cash and Cash Equivalents, Including Restricted Cash, End of Year	<u>\$ 3,316,992</u>	<u>\$ 3,099,435</u>	<u>\$ 3,170,920</u>	<u>\$ -</u>	<u>\$ 9,587,347</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ 167,068	\$ 238,063	\$ 15,736	\$ -	\$ 420,867
Adjustments to reconcile net income (loss) to net cash provided by operating activities					
Depreciation/amortization	323,782	236,142	87,141	-	647,065
Employer Pension Contributions	30,594	21,126	61,388	-	113,108
Employer OPEB Contributions	(2,139)	(1,995)	(3,395)	-	(7,529)
Changes in operating assets, liabilities and deferred inflows and outflows:					
(Increase) decrease in receivables	(138,038)	(8,571)	(13,675)	-	(160,284)
(Increase) decrease in inventory	(36,934)	-	-	-	(36,934)
Increase (decrease) in accounts payable	(19,664)	10,417	(4,260)	-	(13,507)
Increase (decrease) in accrued liabilities	4,119	3,013	5,053	-	12,185
Increase (decrease) in customer deposits	(882)	3,887	4,262	-	7,267
Increase (decrease) in compensated absences payable	(18,932)	(35,329)	(25,804)	-	(80,065)
Increase (decrease) in landfill closure/post closure liability	-	-	61,238	-	61,238
Net cash flows from operating activities	<u>\$ 308,974</u>	<u>\$ 466,753</u>	<u>\$ 187,684</u>	<u>\$ -</u>	<u>\$ 963,411</u>

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

CITY OF ELY, NEVADA
Railroad Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2018
Operating revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
Operating expenses					
Services, supplies and other	-	-	-	-	-
Total operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	-	-
Nonoperating revenues (expenses)					
Interest income	-	-	-	-	-
Rent income	-	-	-	-	-
Grant income	-	-	-	-	-
Pass through grant expense	-	-	-	-	-
Donations	-	-	-	-	-
Legal expense	-	-	-	-	-
Total nonoperating revenues (expenses)	-	-	-	-	-
Transfers:					
Transfers in	3,760	3,760	3,760	-	-
Transfers out	-	-	-	-	-
Change in net position	-	-	3,760	-	-
Total net position, beginning of year	1,696,240	1,696,240	1,696,240	-	1,696,240
Total net position, end of year	\$ 1,696,240	\$ 1,696,240	\$ 1,700,000	\$ -	\$ 1,696,240

CITY OF ELY, NEVADA
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,674,433	\$ 2,226,920	\$ 2,280,816	\$ -	\$ 6,182,169
Receivables, net of allowance	150,508	85,244	172,533	-	408,285
Due from other funds	-	-	121,747	-	121,747
Due from other governments	-	-	-	-	-
Prepaid expense	1,264	-	-	-	1,264
Inventory	49,669	-	-	-	49,669
Total current assets	1,875,874	2,312,164	2,575,096	-	6,763,134
Noncurrent assets:					
Restricted cash and cash equivalents	2,230,386	1,145,505	1,041,858	-	4,417,749
Capital assets:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction-in-progress	115,453	158,291	-	-	273,744
Treatment facilities and improvements	14,534,911	10,922,768	437,329	-	25,895,008
Machinery, equipment and vehicles	527,100	317,422	1,541,387	-	2,385,909
Less accumulated depreciation	(8,079,745)	(6,187,918)	(1,335,670)	-	(15,603,333)
Total noncurrent assets	9,453,751	6,356,068	1,699,736	1,700,000	19,209,555
Other assets:					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	11,371,425	8,668,232	4,274,832	1,700,000	26,014,489
Deferred Outflow of Resources					
Deferred outflows related to pensions	111,596	92,525	182,899	-	387,020
Deferred outflows related to OPEB	2,350	2,193	3,730	-	8,273
Total deferred outflows	\$ 113,946	\$ 94,718	\$ 186,629	\$ -	\$ 395,293
Liabilities					
Current liabilities:					
Accounts payable	\$ 33,293	\$ 28,882	\$ 13,498	\$ -	\$ 75,673
Accrued liabilities	18,773	17,512	28,519	-	64,804
Accrued interest	3,896	6,525	-	-	10,421
Customer Deposits	31,060	14,208	12,757	-	58,025
Current portion of noncurrent liabilities	52,244	49,026	32,147	-	133,417
Total current liabilities	139,266	116,153	86,921	-	342,340
Noncurrent liabilities:					
Compensated absences	22,298	10,797	38,732	-	71,827
Net OPEB obligation	33,589	31,335	53,300	-	118,224
Net pension liability	390,789	324,010	640,484	-	1,355,283
Bonds payable	731,017	1,410,912	-	-	2,141,929
Less current portion of noncurrent liabilities	(52,244)	(49,026)	(32,147)	-	(133,417)
Landfill closure/post closure costs	-	-	904,845	-	904,845
Total noncurrent liabilities	1,125,449	1,728,028	1,605,214	-	4,458,691
Total liabilities	1,264,715	1,844,181	1,692,135	-	4,801,031
Deferred Inflow of Resources					
Deferred inflows related to pensions	149,538	123,985	245,085	-	518,608
Total deferred inflows	149,538	123,985	245,085	-	518,608
Net Position					
Net investment in capital assets	6,534,148	3,799,651	657,878	1,700,000	12,691,677
Restricted for debt service	69,540	106,249	-	-	175,789
Restricted for capital improvements	2,160,846	1,039,256	-	-	3,200,102
Restricted for landfill closure/post closure costs net of related liabilities	-	-	137,013	-	137,013
Unrestricted	1,306,584	1,849,628	1,729,350	-	4,885,562
Total net position	\$ 10,071,118	\$ 6,794,784	\$ 2,524,241	\$ 1,700,000	\$ 21,090,143

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

CITY OF ELY, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 1,175,327	\$ 1,064,015	\$ 1,123,856	\$ -	\$ 3,363,198
Operating expenses					
Salaries and wages	245,926	210,028	373,219	-	829,173
Employee benefits	143,080	154,948	197,301	-	495,329
Service, supplies and other	302,824	321,009	248,302	-	872,135
Landfill closure/post closure costs	-	-	60,522	-	60,522
Depreciation and amortization	316,036	235,466	54,993	-	606,495
Total operating expenses	1,007,866	921,451	934,337	-	2,863,654
Operating income (loss)	167,461	142,564	189,519	-	499,544
Nonoperating revenues (expenses)					
Interest income	3,217	4,164	8,763	-	16,144
Rent income	4,108	-	-	-	4,108
Miscellaneous income	23,037	9,467	103,129	-	135,633
System obligation fees	75,125	59,168	-	-	134,293
Grant revenue	251,756	-	-	-	251,756
Interest expense	(37,544)	(68,217)	-	-	(105,761)
Miscellaneous expense	(243,552)	-	-	-	(243,552)
Total nonoperating revenues (expenses)	76,147	4,582	111,892	-	192,621
Income before transfers	243,608	147,146	301,411	-	692,165
Transfers	-	-	-	-	-
Change in net position	243,608	147,146	301,411	-	692,165
Total net position, beginning of year	9,827,510	6,647,638	2,222,830	1,700,000	20,397,978
Total net position, end of year	\$ 10,071,118	\$ 6,794,784	\$ 2,524,241	\$ 1,700,000	\$ 21,090,143

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

CITY OF ELY, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Water Fund	Sanitation Fund	Landfill Fund	Railroad Fund	Total Proprietary Funds
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,303,148	\$ 1,077,287	\$ 1,097,099	\$ -	\$ 3,477,534
Cash paid to employees	(380,025)	(326,343)	(600,253)	-	(1,306,621)
Cash paid to suppliers	(296,618)	(309,881)	(247,939)	-	(854,438)
Net cash flows from operating activities	<u>626,505</u>	<u>441,063</u>	<u>248,907</u>	<u>-</u>	<u>1,316,475</u>
Cash Flows From Noncapital Financing Activities:					
Cash received from grants	251,756	-	-	-	251,756
Cash received from miscellaneous sources	23,037	9,467	103,129	-	135,633
Cash received from rental payments	4,108	-	-	-	4,108
Cash (to) from other funds	-	-	33,720	-	33,720
Cash paid for grant activities	(243,552)	-	-	-	(243,552)
Net cash flows from noncapital financing activities	<u>35,349</u>	<u>9,467</u>	<u>136,849</u>	<u>-</u>	<u>181,665</u>
Cash Flows From Capital and Related Financing Activities:					
Cash received from system obligations	75,125	59,168	-	-	134,293
Principal paid on capital debt	(31,996)	(38,031)	-	-	(70,027)
Interest paid on capital debt	(37,544)	(68,217)	-	-	(105,761)
Acquisition and construction of capital assets	(82,829)	(134,624)	(242,765)	-	(460,218)
Net cash flows from capital and related financing activities	<u>(77,244)</u>	<u>(181,704)</u>	<u>(242,765)</u>	<u>-</u>	<u>(501,713)</u>
Cash Flows From Investing Activities:					
Interest on investments	<u>3,217</u>	<u>4,164</u>	<u>8,763</u>	<u>-</u>	<u>16,144</u>
Net change in cash and cash equivalents	587,827	272,990	151,754	-	1,012,571
Cash and investments, including restricted cash, beginning of year	<u>3,316,992</u>	<u>3,099,435</u>	<u>3,170,920</u>	<u>-</u>	<u>9,587,347</u>
Cash and Cash Equivalents, Including Restricted Cash, End of Year	<u>\$ 3,904,819</u>	<u>\$ 3,372,425</u>	<u>\$ 3,322,674</u>	<u>\$ -</u>	<u>\$ 10,599,918</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ 167,461	\$ 142,564	\$ 189,519	\$ -	\$ 499,544
Adjustments to reconcile net income (loss) to net cash provided by operating activities					
Depreciation/amortization	316,036	235,466	54,993	-	606,495
Employer Pension Contributions	2,236	24,970	(14,057)	-	13,149
Employer OPEB Contributions	2,055	1,917	3,261	-	7,233
Changes in operating assets, liabilities and deferred inflows and outflows:					
(Increase) decrease in receivables	112,309	10,195	(30,130)	-	92,374
(Increase) decrease in inventory	7,679	-	-	-	7,679
Increase (decrease) in accounts payable	(1,473)	11,128	363	-	10,018
Increase (decrease) in accrued liabilities	10,071	10,585	13,695	-	34,351
Increase (decrease) in customer deposits	15,512	3,077	3,373	-	21,962
Increase (decrease) in compensated absences payable	(5,381)	1,161	(32,632)	-	(36,852)
Increase (decrease) in landfill closure/post closure liability	-	-	60,522	-	60,522
Net cash flows from operating activities	<u>\$ 626,505</u>	<u>\$ 441,063</u>	<u>\$ 248,907</u>	<u>\$ -</u>	<u>\$ 1,316,475</u>

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

CITY OF ELY, NEVADA
Railroad Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019
Operating revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
Operating expenses					
Services, supplies and other	-	-	-	-	-
Total operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	-	-
Nonoperating revenues (expenses)					
Interest income	-	-	-	-	-
Rent income	-	-	-	-	-
Grant income	-	-	-	-	-
Pass through grant expense	-	-	-	-	-
Donations	-	-	-	-	-
Legal expense	-	-	-	-	-
Total nonoperating revenues (expenses)	-	-	-	-	-
Transfers:					
Transfers in	-	-	-	-	3,760
Transfers out	-	-	-	-	-
Change in net position	-	-	-	-	3,760
Total net position, beginning of year	1,700,000	1,700,000	1,700,000	-	1,696,240
Total net position, end of year	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ -	\$ 1,700,000

CITY OF ELY, NEVADA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,899,160	\$ 2,037,858	\$ 2,682,848	\$ -	\$ 6,619,866
Receivables, net of allowance	117,527	76,656	131,876	-	326,059
Due from other funds	-	-	92,646	-	92,646
Due from other governments	-	498,458	-	-	498,458
Prepaid expense	6,569	600	1,566	-	8,735
Inventory	58,548	-	-	-	58,548
Total current assets	2,081,804	2,613,572	2,908,936	-	7,604,312
Noncurrent assets					
Restricted cash and cash equivalents	2,472,584	1,344,024	1,044,670	-	4,861,278
Capital assets not being depreciated:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction in progress	170,613	868,209	-	-	1,038,822
Capital assets, net of accumulated depreciation:					
Treatment facilities and improvements	14,402,467	10,971,765	98,310	-	25,472,542
Buildings	181,754	-	339,019	-	520,773
Machinery, equipment and vehicles	531,157	329,915	1,607,815	-	2,468,887
Less accumulated depreciation	(8,395,457)	(6,430,765)	(1,396,896)	-	(16,223,118)
Total noncurrent assets	9,488,764	7,083,148	1,707,750	1,700,000	19,979,662
Other assets					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	11,612,368	9,696,720	4,616,686	1,700,000	27,625,774
Deferred outflows of resources					
Pensions	165,913	130,493	268,163	-	564,569
OPEB	2,301	2,147	3,652	-	8,100
Total deferred outflows of resources	168,214	132,640	271,815	-	572,669
Total assets and deferred outflows of resources	\$ 11,780,582	\$ 9,829,360	\$ 4,888,501	\$ 1,700,000	\$ 28,198,443

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Liabilities					
Current liabilities					
Accounts payable	\$ 45,775	\$ 268,649	\$ 8,352	\$ -	\$ 322,776
Accrued liabilities	13,436	8,385	17,050	-	38,871
Accrued interest	3,896	6,525	-	-	10,421
Customer Deposits	15,799	15,714	19,855	-	51,368
Unearned revenue	-	1,003	-	-	1,003
Current portion of noncurrent liabilities	51,944	48,713	23,096	-	123,753
Total current liabilities	130,850	348,989	68,353	-	548,192
Noncurrent liabilities					
Compensated absences	19,829	8,031	27,827	-	55,687
Bonds payable	697,281	1,370,996	-	-	2,068,277
Less current portion of noncurrent liabilities	(51,944)	(48,713)	(23,096)	-	(123,753)
Net OPEB obligation	36,619	34,163	58,109	-	128,891
Net pension liability	497,690	391,445	804,417	-	1,693,552
Landfill closure/post closure costs	-	-	994,618	-	994,618
Total noncurrent liabilities	1,199,475	1,755,922	1,861,875	-	4,817,272
Total liabilities	1,330,325	2,104,911	1,930,228	-	5,365,464
Deferred inflows of resources					
Pensions	119,668	94,122	193,420	-	407,210
Net position					
Net investment in capital assets	6,318,899	4,303,117	663,080	1,700,000	12,985,096
Restricted for:					
Debt service	69,540	106,248	-	-	175,788
Capital improvements	2,403,044	1,172,765	-	-	3,575,809
Landfill closure/post closure costs	-	-	50,052	-	50,052
Unrestricted	1,539,106	2,048,197	2,051,721	-	5,639,024
Total net position	10,330,589	7,630,327	2,764,853	1,700,000	22,425,769
Total liabilities, deferred inflows of resources, and net position	\$ 11,780,582	\$ 9,829,360	\$ 4,888,501	\$ 1,700,000	\$ 28,198,443

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Operating revenues					
Charges for services	\$ 1,254,914	\$ 1,104,103	\$ 1,103,912	\$ -	\$ 3,462,929
Total operating revenues	<u>1,254,914</u>	<u>1,104,103</u>	<u>1,103,912</u>	<u>-</u>	<u>3,462,929</u>
Operating expenses					
Salaries and wages	264,001	190,538	365,221	-	819,760
Employee benefits	174,983	105,265	247,768	-	528,016
Service, supplies and other	333,112	357,695	218,381	-	909,188
Landfill closure/post closure costs	-	-	89,773	-	89,773
Depreciation and amortization	315,712	242,847	61,226	-	619,785
Total operating expenses	<u>1,087,808</u>	<u>896,345</u>	<u>982,369</u>	<u>-</u>	<u>2,966,522</u>
Operating income (loss)	<u>167,106</u>	<u>207,758</u>	<u>121,543</u>	<u>-</u>	<u>496,407</u>
Nonoperating revenues (expenses)					
Interest income	3,219	4,176	8,151	-	15,546
Rent income	12,744	-	-	-	12,744
Miscellaneous income	27,914	10,326	110,918	-	149,158
System obligation fees	17,410	7,000	-	-	24,410
Grant revenue	318,799	672,615	-	-	991,414
Interest expense	(35,804)	(66,332)	-	-	(102,136)
Miscellaneous expense	(251,917)	-	-	-	(251,917)
Total nonoperating revenues (expenses)	<u>92,365</u>	<u>627,785</u>	<u>119,069</u>	<u>-</u>	<u>839,219</u>
Change in net position	<u>259,471</u>	<u>835,543</u>	<u>240,612</u>	<u>-</u>	<u>1,335,626</u>
Net position, beginning of year	<u>10,071,118</u>	<u>6,794,784</u>	<u>2,524,241</u>	<u>1,700,000</u>	<u>21,090,143</u>
Net position, end of year	<u>\$ 10,330,589</u>	<u>\$ 7,630,327</u>	<u>\$ 2,764,853</u>	<u>\$ 1,700,000</u>	<u>\$ 22,425,769</u>

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Cash flows from operating activities					
Cash receipts from customers	\$ 1,272,635	\$ 1,114,197	\$ 1,151,667	\$ -	\$ 3,538,499
Cash paid to suppliers for goods and services	(334,814)	(118,528)	(225,093)	-	(678,435)
Cash paid to employees for services	(420,997)	(305,218)	(603,472)	-	(1,329,687)
Net cash flows from operating activities	516,824	690,451	323,102	-	1,530,377
Cash flows from noncapital financing activities					
Due from other funds	-	-	29,101	-	29,101
Quadra mining receipts	222,069	-	-	-	222,069
Rental receipts	12,740	-	-	-	12,740
Other receipts	27,914	10,325	110,918	-	149,157
Quadra mining payments	(251,917)	-	-	-	(251,917)
Net cash flows from noncapital financing activities	10,806	10,325	140,019	-	161,150
Cash flows from capital and related financing activities					
State and federal grant receipts	96,730	175,160	-	-	271,890
System obligation fees received	17,410	7,000	-	-	24,410
Acquisition and construction of capital assets	(108,524)	(771,407)	(66,428)	-	(946,359)
Principal paid on long-term debt	(33,736)	(39,916)	-	-	(73,652)
Interest paid on long-term debt	(35,804)	(66,332)	-	-	(102,136)
Net cash flows from capital and related financing activities	(63,924)	(695,495)	(66,428)	-	(825,847)
Cash flows from investing activities					
Interest on investments	3,219	4,176	8,151	-	15,546
Net cash flows from investing activities	3,219	4,176	8,151	-	15,546
Net increase (decrease) in cash and cash equivalents	466,925	9,457	404,844	-	881,226
Cash and cash equivalents, beginning	3,904,819	3,372,425	3,322,674	-	10,599,918
Cash and cash equivalents, ending	\$ 4,371,744	\$ 3,381,882	\$ 3,727,518	\$ -	\$ 11,481,144
Reconciliation of operating income to net cash flows from operating activities					
Operating income (loss)	\$ 167,106	\$ 207,758	\$ 121,543	\$ -	\$ 496,407
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation/amortization	315,712	242,847	61,226	-	619,785
Employer Pension Contributions	22,714	(396)	27,004	-	49,322
Employer OPEB Contributions	3,079	2,874	4,887	-	10,840
Changes in operating assets, liabilities and deferred inflows and outflows:					
(Increase) decrease in receivables	32,981	8,588	40,657	-	82,226
(Increase) decrease in inventory	(8,879)	-	-	-	(8,879)
(Increase) decrease in prepaid expenses	(5,305)	(600)	(1,566)	-	(7,471)
Increase (decrease) in accounts payable	12,482	239,767	(5,146)	-	247,103
Increase (decrease) in accrued liabilities	(5,337)	(9,127)	(11,469)	-	(25,933)
Increase (decrease) in customer deposits	(15,260)	1,506	7,098	-	(6,656)
Increase (decrease) in compensated absences	(2,469)	(2,766)	(10,905)	-	(16,140)
Increase (decrease) in landfill closure/post-closure liability	-	-	89,773	-	89,773
Net cash flows from operating activities	\$ 516,824	\$ 690,451	\$ 323,102	\$ -	\$ 1,530,377

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 2,021,370	\$ 2,493,448	\$ 2,941,639	\$ -	\$ 7,456,457
Receivables, net of allowance	117,452	80,524	140,276	-	338,252
Due from other governments	20,437	17,835	-	-	38,272
Prepaid expense	1,264	-	-	-	1,264
Lease receivable, current	12,546	-	-	-	12,546
Inventory	61,356	-	-	-	61,356
Total current assets	2,234,425	2,591,807	3,081,915	-	7,908,147
Noncurrent assets					
Restricted cash and cash equivalents	2,826,769	1,273,682	1,130,090	-	5,230,541
Lease receivable, net of current	28,420	-	-	-	28,420
Capital assets not being depreciated:					
Land and easements	125,646	-	14,832	1,700,000	1,840,478
Construction in progress	198,959	939,635	-	-	1,138,594
Capital assets, net of accumulated depreciation:					
Treatment facilities and improvements	14,420,863	11,031,352	98,310	-	25,550,525
Buildings	181,754	-	339,019	-	520,773
Machinery, equipment and vehicles	541,014	418,079	1,817,172	-	2,776,265
Less accumulated depreciation	(8,699,100)	(6,686,546)	(1,476,202)	-	(16,861,848)
Total noncurrent assets	9,624,325	6,976,202	1,923,221	1,700,000	20,223,748
Other assets					
Non-service property	50,014	-	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	-	(8,214)
Total other assets	41,800	-	-	-	41,800
Total assets	11,900,550	9,568,009	5,005,136	1,700,000	28,173,695
Deferred outflows of resources					
Pensions	243,285	199,670	384,449	-	827,404
OPEB	2,192	2,045	3,478	-	7,715
Total deferred outflows of resources	245,477	201,715	387,927	-	835,119
Total assets and deferred outflows of resources	\$ 12,146,027	\$ 9,769,724	\$ 5,393,063	\$ 1,700,000	\$ 29,008,814

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Liabilities					
Current liabilities					
Accounts payable	\$ 36,466	\$ 27,005	\$ 12,862	\$ -	\$ 76,333
Accrued liabilities	16,202	17,024	400,341	-	433,567
Accrued interest	3,896	6,525	-	-	10,421
Customer Deposits	16,508	17,160	21,384	-	55,052
Current portion of noncurrent liabilities	59,291	54,768	12,993	-	127,052
Total current liabilities	<u>132,363</u>	<u>122,482</u>	<u>447,580</u>	<u>-</u>	<u>702,425</u>
Noncurrent liabilities					
Compensated absences	26,493	12,864	15,655	-	55,012
Bonds payable	661,678	1,328,986	-	-	1,990,664
Less current portion of noncurrent liabilities	(59,291)	(54,768)	(12,993)	-	(127,052)
Net OPEB obligation	34,238	31,941	54,330	-	120,509
Net pension liability	301,335	247,314	476,184	-	1,024,833
Landfill closure/post closure costs	-	-	1,130,090	-	1,130,090
Total noncurrent liabilities	<u>964,453</u>	<u>1,566,337</u>	<u>1,663,266</u>	<u>-</u>	<u>4,194,056</u>
Total liabilities	<u>1,096,816</u>	<u>1,688,819</u>	<u>2,110,846</u>	<u>-</u>	<u>4,896,481</u>
Deferred inflows of resources					
Leases	44,313	-	-	-	44,313
Pensions	338,481	277,801	534,885	-	1,151,167
Total deferred inflows of resources	<u>382,794</u>	<u>277,801</u>	<u>534,885</u>	<u>-</u>	<u>1,195,480</u>
Net position					
Net investment in capital assets	6,107,458	4,373,534	793,131	1,700,000	12,974,123
Restricted for:					
Debt service	69,728	106,534	-	-	176,262
Capital improvements	2,757,041	1,167,148	-	-	3,924,189
Unrestricted	1,732,190	2,155,888	1,954,201	-	5,842,279
Total net position	<u>10,666,417</u>	<u>7,803,104</u>	<u>2,747,332</u>	<u>1,700,000</u>	<u>22,916,853</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 12,146,027</u>	<u>\$ 9,769,724</u>	<u>\$ 5,393,063</u>	<u>\$ 1,700,000</u>	<u>\$ 29,008,814</u>

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

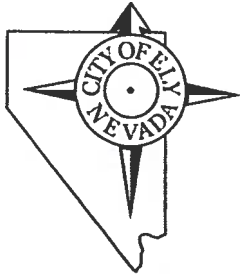
	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Operating revenues					
Charges for services	\$ 1,324,062	\$ 1,155,816	\$ 1,163,151	\$ -	\$ 3,643,029
Total operating revenues	1,324,062	1,155,816	1,163,151	-	3,643,029
Operating expenses					
Salaries and wages	318,207	259,889	367,633	-	945,729
Employee benefits	87,574	93,408	89,118	-	270,100
Service, supplies and other	356,277	389,954	303,453	-	1,049,684
Landfill closure/post closure costs	-	-	135,472	-	135,472
Depreciation and amortization	303,643	255,781	79,306	-	638,730
Total operating expenses	1,065,701	999,032	974,982	-	3,039,715
Operating income (loss)	258,361	156,784	188,169	-	603,314
Nonoperating revenues (expenses)					
Interest income	3,220	4,156	7,325	-	14,701
Rent income	10,487	-	-	-	10,487
Miscellaneous income	30,593	12,656	166,843	-	210,092
System obligation fees	25,375	25,375	-	-	50,750
Grant revenue	247,150	38,044	-	-	285,194
Interest expense	(33,937)	(64,238)	-	-	(98,175)
Miscellaneous expense	(205,421)	-	-	-	(205,421)
Total nonoperating revenues (expenses)	77,467	15,993	174,168	-	267,628
Net income before special item	335,828	172,777	362,337	-	870,942
Special item - lawsuit settlement	-	-	(379,858)	-	(379,858)
Change in net position	335,828	172,777	(17,521)	-	491,084
Net position, beginning of year	10,330,589	7,630,327	2,764,853	1,700,000	22,425,769
Net position, end of year	\$ 10,666,417	\$ 7,803,104	\$ 2,747,332	\$ 1,700,000	\$ 22,916,853

The accompanying notes are an integral part of this statement.

CITY OF ELY, NEVADA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				
	Municipal Water	Sanitation	Landfill	Railroad	Total
Cash flows from operating activities					
Cash receipts from customers	\$ 1,324,846	\$ 1,153,394	\$ 1,156,280	\$ -	\$ 3,634,520
Cash paid to suppliers for goods and services	(363,086)	(630,999)	(297,377)	-	(1,291,462)
Cash paid to employees for services	(453,537)	(371,574)	(572,149)	-	(1,397,260)
Net cash flows from operating activities	508,223	150,821	286,754	-	945,798
Cash flows from noncapital financing activities					
Due from other funds	-	-	92,646	-	92,646
Quadra mining receipts	222,069	-	-	-	222,069
Rental receipts	13,831	-	-	-	13,831
Other receipts	30,593	12,655	166,843	-	210,091
Quadra mining payments	(205,421)	-	-	-	(205,421)
Net cash flows from noncapital financing activities	61,072	12,655	259,489	-	333,216
Cash flows from capital and related financing activities					
State and federal grant receipts	4,644	517,664	-	-	522,308
System obligation fees received	25,375	25,375	-	-	50,750
Acquisition and construction of capital assets	(56,599)	(219,175)	(209,357)	-	(485,131)
Principal paid on long-term debt	(35,603)	(42,010)	-	-	(77,613)
Interest paid on long-term debt	(33,937)	(64,238)	-	-	(98,175)
Net cash flows from capital and related financing activities	(96,120)	217,616	(209,357)	-	(87,861)
Cash flows from investing activities					
Interest on investments	3,220	4,156	7,325	-	14,701
Net cash flows from investing activities	3,220	4,156	7,325	-	14,701
Net increase (decrease) in cash and cash equivalents	476,395	385,248	344,211	-	1,205,854
Cash and cash equivalents, beginning	4,371,744	3,381,882	3,727,518	-	11,481,144
Cash and cash equivalents, ending	\$ 4,848,139	\$ 3,767,130	\$ 4,071,729	\$ -	\$ 12,686,998
Reconciliation of operating income to net cash flows from operating activities					
Operating income (loss)	\$ 258,361	\$ 156,784	\$ 188,169	\$ -	\$ 603,314
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation/amortization	303,643	255,781	79,306	-	638,730
Employer Pension Contributions	(54,914)	(29,629)	(103,054)	-	(187,597)
Employer OPEB Contributions	(2,272)	(2,120)	(3,605)	-	(7,997)
Changes in operating assets, liabilities and deferred inflows and outflows:					
(Increase) decrease in receivables	75	(3,868)	(8,400)	-	(12,193)
(Increase) decrease in inventory	(2,808)	-	-	-	(2,808)
(Increase) decrease in prepaid expenses	5,305	600	1,566	-	7,471
Increase (decrease) in accounts payable	(9,306)	(241,645)	4,510	-	(246,441)
Increase (decrease) in accrued liabilities	2,766	8,639	3,433	-	14,838
Increase (decrease) in customer deposits	709	1,446	1,529	-	3,684
Increase (decrease) in compensated absences	6,664	4,833	(12,172)	-	(675)
Increase (decrease) in landfill closure/post-closure liability	-	-	135,472	-	135,472
Net cash flows from operating activities	\$ 508,223	\$ 150,821	\$ 286,754	\$ -	\$ 945,798

The accompanying notes are an integral part of this statement.



CITY OF ELY

501 Mill Street Ely, Nevada 89301

City Hall (775) 289-2430

Fax (775) 289-1463

Date: January 10, 2023

To: Mayor Robertson

From: Janette Trask, Treasurer/HR Director

RE: 1/12/2023 Agenda Items:

B-5 Mayor Robertson – Discussion/For Possible Action – Approval to purchase tablets or laptops for elected officials to use during City Council meetings, in place of paper packets, and for other City business.

Estimated cost for either laptops or tablets for City Council members with carrying case would be approximately \$2,200 to \$2,600. These would be in place of paper packets during City Council meetings and for conducting other City business. The costs would be a four-way split with the General Fund and the three Enterprise Funds.

An estimated yearly cost savings for using these devices over printing agendas would be for paper (\$450), the Xerox printing (\$2,100) and the Administrative Assistants time (\$1,440) totaling \$3,390.



Adam Young, Superintendent

Purposes

- To highlight current achievement trends across Nevada and in White Pine.
- To illustrate tensions and needs within the educational system as currently structured.
- To connect school funding, particularly iNVEST, to existing needs, and those needs to improvements in Nevada's performance.
- To generate synergy around iNVEST, the Commission on School Funding's report, and funding in general heading into the legislative session.

Unity



2022 Math Outcomes as Measured by SBAC

Carson +5.6	Statewide
Clark +5.1	Elementary +7.3%
Eureka +7.4	Middle +2.0%
Humboldt +3.0	High -1.4%
Lincoln +3.6	
Nye +0.5	
SPCSA +5.8	
Washoe +2.7	
White Pine +3.8	



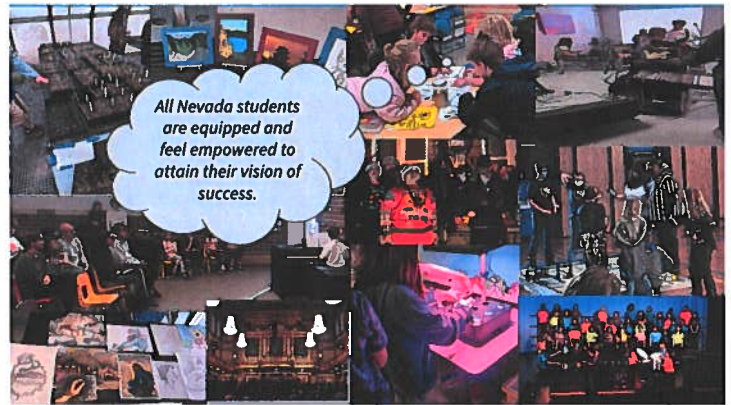
2022 ELA Outcomes as Measured by SBAC

Carson +4.8	Statewide
Clark +4.1	Elementary +4.0%
Eureka +7.2	Middle +2.0%
Humboldt +1.2	High -1.1%
Lincoln +5.3	
Nye +1.3	
SPCSA +2.9	
Washoe +1.9	
White Pine +4.0	



Other More Authentic Indicators Measured by Districts

- Student-led conferences.
- Social, academic, career goals reported through conferences.
- Service activities completed.
- Leadership development inventories.
- Extra- and co-curricular engagement.



Most Recent CTE Outcomes

	Graduation Rate	Advanced Diplomas	CCR Diplomas
2017	80.90%		
2018	83.20%		
2019	84.10%	6579	
2020			
2021	81.31%	5535	7092
2022	81.72%	4700	7877

Increase the overall number of students receiving the College and Career Ready (CCR) diploma from 23.5% in July 2021 to 50% by July 2026.
26.1% in 2022.



Most Recent CTE Outcomes

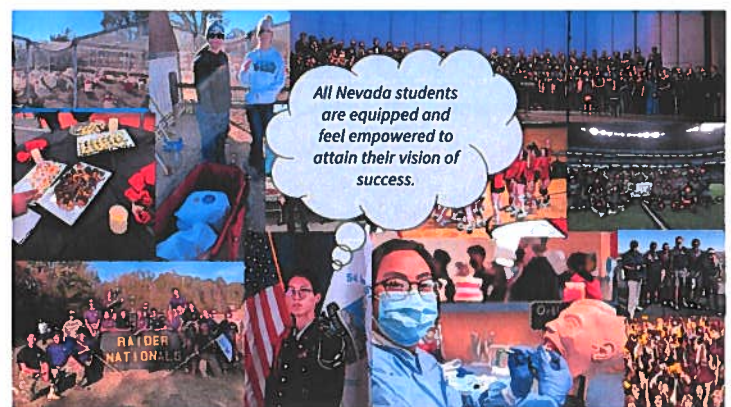
	Enrollment	Completion
2019	66,645	10,659
2020		
2021	72,543	13,445
2022	76,313	15,279

WPCSD 2022
80% CTE Participation
45% CTE Completion
51% Dual Credit Completion



Other More Authentic Indicators Measured by Districts

- 5th, 8th, 12th grade presentations.
- Student-led conferences.
- Community service hours.
- Senior projects.
- Dual credits earned.
- Associates degrees earned.
- Performance tasks administered in Freshman and Senior Seminars.



Tension

- Do the current measures communicate what is most important to our students and families?
- What wonderful opportunities have been reduced as schools focus their time and resources in a narrowed manner in order to earn "stars"?
- What fiscal and human costs are associated with such narrow measures?



What if we...

- Developed additional STEAM programs and academies?
- Provided enhanced CTE opportunities?
- Delivered content designed to promote collaboration, critical thinking, creativity, innovation, problem solving?
- Funded music, art, athletics, robotics, and activities that captured the interest of each student?
- Reported measurables based on students' unique learning paths?



iNVEST Priority 2

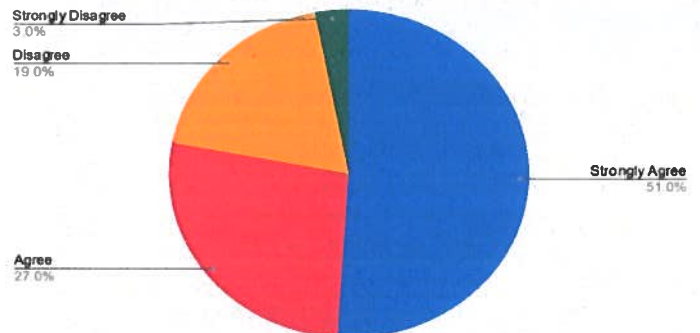
Priority 2: Increase equitable educational opportunities for all students. Estimated cost - \$978 million

PRIORITY 2: INCREASE EQUITABLE EDUCATION OPPORTUNITIES BY ENSURING ADEQUATE RESOURCES TO MEET THE NEEDS OF ALL STUDENTS

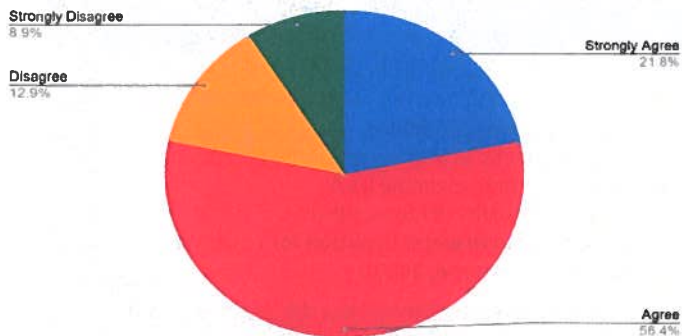
Description	Estimate
1 Fully fund the weights so all students receive the same level of instruction and needed support no matter their zip code	\$591,451,892
2 Expanded opportunities such as Work Based Learning (WBL), Career and Technical Education (CTE), Dual Enrollment and "Jump Start" programs, STEM/STEAM, robotics, other elective offerings, teacher academies, etc. ensuring access to innovative programs and offerings at all schools and grade levels throughout the state	\$263,750,000
3 Provide all students with devices for one-to-one connectivity and access to Wi-Fi at school facilities	\$121,223,000
Total Priority 2	\$976,424,892



Adults working at this school treat all students respectfully.



I feel like I belong at this school.



Tension

- Families and society in distress.
- Political and ideological battle lines.
- More mental health needs now than ever.
- Rigid testing and academic requirements do not match the needs of many students and families.
- Many expect schools to be the answer to societal issues.



Consensus among District Leaders

19



What if we...

20

- Built greater flexibility for students to pursue the options that interest them?
- Fully funded the critical supports for the students who need them?
- Truly valued developing dispositions in the affective domain like empathy, proactivity, initiative, and teamwork?



INVEST Priority 3

21

Priority 3: Improve needed supports for students and families. Estimated cost - \$1.0 billion

PRIORITY 3: IMPROVE NEEDED SUPPORTS FOR STUDENTS AND FAMILIES

Description	Estimate
1 Address mental health needs of students through securing FTE equivalent Social Worker and Counselor allocations at every school (aligned with staff - Priority #1). Estimate also includes a 10% increase in current salaries to align with first bullet point of Priority 1	\$782,007,165
2 Help to address growing mental health crisis among children and youth (providing social-emotional learning tools, counseling, ongoing case management, therapy, in-school programs)	\$77,920,000
3 Improve extracurricular offerings at all schools including after school programs and clubs which support the whole student	\$80,000,000
4 Empower and inspire families to positively impact their child's education through academic and technology training, to include areas such as academic/pervasive teams, and mental health training and supports	\$52,580,000
Total Priority 3	\$1,092,507,165



Educator Quality and the Link to Student Achievement

22

- Darling-Hammond, 2000.
- Goe & Sickler, 2008.
- Marzano, 2011.
- Mincu, 2015.
- Gess-Newsome, et. al., 2019.
- Any person in the room's personal experience.



Tension

23

- Average educator's salary is significantly lower than that of other professionals (Dupriez et al., 2016).
- Gap between teachers' salaries and those of similarly educated professionals has widened in the last two decades (Allegretto and Mishel, 2016).
 - 17% lower average weekly salary in 2015 compared to 1.8% in 1994.
- Low prestige of profession associated with salary (Borman & Dowling, 2008).



Tension

24

- Low educator pay results in attrition (Arviv Elyashiv & Navon, 2021).
- Difficult working conditions.
- Tough interactions with students and parents.
- Not enough time to do the work.
- Family and quality of life sacrifices.
- **Nevada is fourth worst in nation for educator pipeline (Scholaroo, 2020).**



When Should the Panic Begin?

What is the level of concern you have about employees' mental health?



What is the level of concern you have about principal recruitment and retention?



What is the level of concern you have about teacher recruitment and retention?



What if we...

- Could pay educators for the time they spend preparing, learning, and assisting students outside of their contracted hours?
- Could provide a wage competitive enough to attract our most talented graduates?
- Could incentivize under-represented groups through scholarships and tuition assistance?
- Could minimize bureaucratic reporting requirements, testing, and hoop-jumping to get teachers more time with students?
- Could attract, hire, and retain more qualified professionals that could impact student performance?

PRIORITY 1: FUND DISTRICTS AND SCHOOLS TO HIRE AND RETAIN HIGH QUALITY STAFF IN A COMPETITIVE LABOR MARKET

Description	Estimate
1. Increase salaries to provide a livable and competitive wage for all employees (base salary and potential for growth) - 10% increase was utilized for ease of calculation of a higher percentage as deemed appropriate	\$325,180,100
2. Ensure adequate staffing patterns consistent with the recommendations listed in prior legislatively driven APA studies - Amount listed is less the amount to address mental health needs of students through ensuring FTE equivalent Social Worker and Counselor allocations at every school as noted in first bullet point of Priority 3	\$1,067,025,894
3. Create new pathways into the education profession, providing a natural sequence to meet targeted staffing levels (quantity) of staff for administrative, certified, and classified positions - Estimate based on using student to teacher pipeline models as well as other routes to licensure through higher education institutions.	\$35,000,000
4. Create staff leadership pathways within the existing K-12 school system, for both teacher leaders and administration	\$16,750,000
5. Provide standardized curriculum and additional professional development for teachers to highlight best practices and increase student achievement - Estimate includes two additional professional development days for teachers and \$100 per pupil cost for curriculum	\$71,933,587
6. Improved working conditions - Add approximately 45 minutes per day with pay to teachers without students to allow for better preparation, professional learning, and consultation with other instructional leaders	\$192,819,797
Total Priority 1	\$1,708,709,478

Message of the Governor to the Fifty-Second Legislature of Nevada

Education

In our subject, the most important issue is the need for more funding. Nevada is the only state in the nation that has not increased its per-pupil spending since 2000. The per-pupil spending in our state is \$11,489, which is less than the \$13,489 in the state of California. This is a significant problem for our students and our teachers. We need to increase our funding to ensure that our students and teachers have the resources they need to succeed.

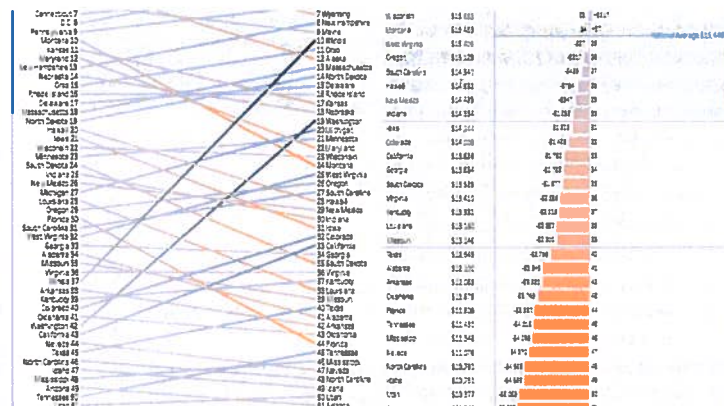
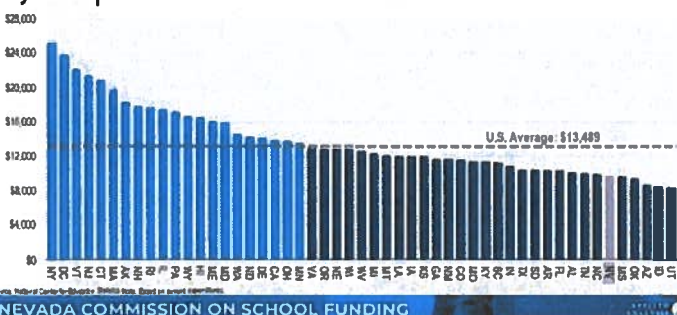
The state currently has a budget deficit of \$1.5 billion. This is a significant problem for our state. We need to increase our revenue to ensure that we can meet our obligations to our citizens. We need to increase our taxes and reduce our spending. We need to ensure that we have enough money to pay for the services that our citizens need.

The Governor's Office is working to address these issues. We are working to increase our revenue and reduce our spending. We are working to ensure that we have enough money to pay for the services that our citizens need. We are working to ensure that our students and teachers have the resources they need to succeed.

"Nevada ranks 13th in the nation in average teachers' salaries. We are 5th in the Western States. We rank 15th in the nation on pupil-teacher ratio. We are 8th in the nation for median number of school years completed by persons 25 years or older. We reputedly have the highest literacy rate in the nation. We are 4th in the nation on the basis of money spent per pupil."

— Governor Grant Sawyer
January 22, 1967

Per Pupil Funding By State | Fiscal Year 2020



When Should the Panic Begin?

What is the level of concern you have about obtaining the funding necessary to address needs in staffing and student supports?
17 responses



● Extremely concerned
● Concerned
● Only a little concerned
● Not concerned



Quality Counts 2021 Data



Move up in State rankings from 18th in September of 2020 to Top 10 by July 2026, as measured by the Academic portions of Quality Counts K-12 Student Achievement.

				2018 Nevada Rank	2018 Nevada Grade
Overall				51/51	D
Character Success				10/51	D+
Finance	51/51	D-	C	50/51	D-
K-12 Achievement	18/51	C	C	40/51	D+

“

When the achievement and social-emotional goals are in the top 15 but funding is at the bottom, will we ever see progress? Is it too much to ask for even “average” funding?

PER PUPIL SPENDING FISCAL YEAR 2020

Nevada Per Pupil Spending (FY 2020)	\$8,546
National Average Per Pupil Spending (FY 2020)	\$13,489
APA Recommended Per Pupil Spending for Nevada (FY 2020 dollars)	\$14,337

”

School construction is another urgent need that must be considered.

Summary

- Nevada's schools are making more progress (in extremely difficult conditions) than many people realize.
- The state's accountability system based exclusively on testing disregards many more authentic measures of student learning and needs to change.
- The single biggest challenge facing education in Nevada is the workforce, negatively influenced by unreasonable expectations and pay not comparable to other professional careers.

”

The Professional judgment study (APA), the Commission on School Funding, iNVEST, and the State Board of Education Position Statement all say the same thing:
Nevada's school funding is far below “adequate” and even more dramatically below “optimal.” It is impossible to sustain improved outcomes without improved inputs.

Call to Action

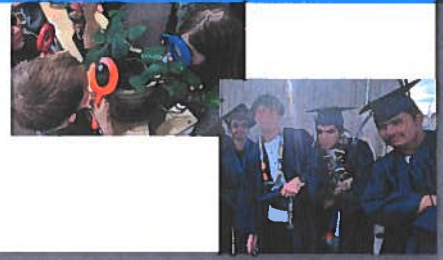
37

- Will you adopt the [proposed resolution](#) in support of school funding and school construction?
- Will you write an additional [letter of support](#) urging legislators to deeply consider the **long term viability of Nevada's funding model** as described by the Commission for School Funding?

Nevada's Students Deserve the Best

38

- Supports.
- Teachers.
- Leaders.
- Policy.
- **Funding.**



Thank You!





What is needed to improve student achievement in Nevada?

The **2023 Legislature** will play a pivotal role in changing the trajectory of Nevada's education landscape and outcomes by addressing and passing legislation that:

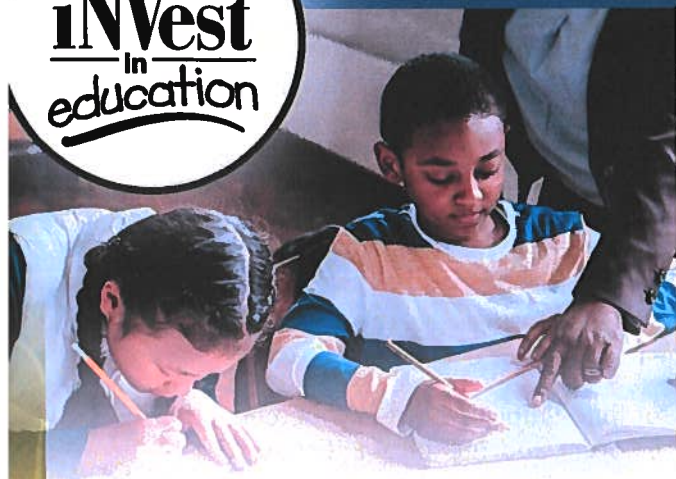
- substantially **increases per-pupil funding** by adding \$270.8 million in new funding for FY24, aligned to 10-year incremental target values for optimal funding as identified by the [Commission on School Funding](#)¹. This increase in funding is necessary so districts can hire and retain high-quality staff in a competitive market facing record-level inflationary pressure. There is a staffing crisis and Nevada must create innovative ways/pathways to increase staffing. All employees must be provided a livable family wage. Districts must also have the ability to hire additional staff in order to reduce class sizes and meet state-adopted target ratios for administrative, certified, and classified positions.
- fully funds the weights assigned in the PCFP so all students receive the **appropriate and equitable level of support** no matter their zip code or circumstance.
- **modernizes educational statutes** to allow for innovation such as Competency-Based Education, Work Based Learning (WBL), Career and Technical Education (CTE), Dual Enrollment and "Jump Start" programs, STEM/STEAM, robotics, and other elective offerings without adding more mandates with no financial backing. Ensuring access to innovative programs and offerings at all schools and grade levels throughout the state is imperative for our students to be successful in today's global economy.
- provides funding to **enable schools to be technology-rich** and aligned with modern workplace expectations. In addition, the wireless network must be accessible to all schools and families.
- **invests in school safety measures** with an emphasis on addressing mental health issues. Investing in school counselors, social workers, psychologists, nurses, and community health workers at every school will enable districts to support the whole child.
- ensures a safer, more secure learning environment through the implementation of funding mechanisms that are dedicated exclusively to school facilities. It is critical for districts to be able to conduct operational and preventative maintenance on buildings in order to reduce downtime and ultimately reduce repair maintenance costs. **Districts must be able to construct new schools** in order to keep up with growth and decrease class sizes.



The above reflects the needs of all districts. However, funding provided by the Legislature must remain flexible as the needs are unique from district to district. The superintendents are appreciative of the work done in the past by the Nevada Legislature to respond to the needs of the changing face of the Nevada classroom and look forward to working with Legislators during the 2023 Session.

¹Commission on School Funding Report, November 2022 https://www.leg.state.nv.us/Division/Research/Documents/RTTL_2021_AB495_Sec60_2022.pdf

The Nevada Association of School Superintendents (NASS) is comprised of the 17 school districts' superintendents and the Executive Director of the State Public Charter School Authority. Monthly meetings are held to discuss issues and initiatives impacting all members' district and school operations as they ensure all Nevada students are prepared for life after graduation from a Nevada public school.



Since 2003, NASS has produced **iNVEST**, an acronym for "**Investing in Nevada's Education, Students and Teachers**". This publication has served as a blueprint for academic improvement for all Nevada K-12 students and answers the question, "What is needed to improve student achievement in Nevada?" Throughout the years, iNVEST has been shared with legislators and stakeholders before and during each legislative session to help inform legislation that will positively impact K-12 student achievement for all students.

Much has been accomplished in the last 20 years since the inception of iNVEST. However, there is still work to be done. In addition, times have changed since 2003, and new issues have arisen. The pandemic magnified challenges for school districts and students, including but not limited to the mental health of students and staff, the need for all students to have access to technology, and securing impactful strategies to address the learning gap students experienced as a result of reduced in-person learning.

In addition, the new **Pupil Centered Funding Plan (PCFP)**, created through **SB 543** in the 2019 legislative session, has resulted in new opportunities for districts as well as new challenges. Adequacy of funding remains the key component to providing districts with the ability to improve student achievement.

The importance of a high-quality educational system in Nevada cannot be overstated. The economy and the overall quality of life for everyone depends on it. Proper funding is the key component to making the system work. The State General Fund's support for K-12 education must increase on par with State revenue growth over the next biennium.

The focus of iNVEST 2023, produced by NASS and endorsed by the 17 school districts' boards of trustees, continues to be the blueprint of the needs of districts coupled with accountability for additional funding. iNVEST 2023 provides a roadmap for the 2023 Legislature to answer the question, "**What is needed to improve student achievement in Nevada?**"





EXECUTIVE SUMMARY

OF COMMISSION ON SCHOOL
FUNDING REPORT ISSUED ON
NOVEMBER 14, 2022

TABLE OF CONTENTS

Background.....	1
The Problem	1
Key Considerations	1
Recommendations.....	2
Supporting Tables	3

BACKGROUND

- SB 543 (2019), which modernized Nevada's 53-year-old funding formula created and charged the Commission on School Funding, among other things, to provide recommendations to create an optimal level of funding for public schools in Nevada. The Commission was further charged with identifying a method to fully fund the recommendation within ten years, per SB 543 and AB 495(2021).
- The Commission presented its full report to the Governor and Legislature on November 14, 2022. This document is intended as an executive summary. The full report can be accessed by clicking the following link: [Commission on School Funding Report \(2022\)](#).

THE PROBLEM

- In Fiscal Year 2020, Nevada's per pupil spending amounted to \$9,548 while the national average per pupil spending amount was \$13,489 per a report from the National Center for Education Statistics (NCES). Nevada spent \$3,941 less per pupil in 2020 than the average state in the country, which amounts to nearly 30 percent less than the average state per pupil spending.
- In 2006, Augenblick, Palaich and Associates (APA) conducted a study for the Nevada Legislature to estimate the cost of an adequate education in Nevada. The study has since been updated in 2015 and 2018. The study indicates that the recommended level of spending of \$14,337 on a per pupil basis – an amount that greatly exceeds the amount of spending that would align Nevada with the national average. Nevada spent \$4,789 less per pupil than the amount recommended by APA in 2020, or more than 33 percent less than recommended.
- The fact that the recommended level of funding exceeds the amount needed to achieve the national average strongly suggests that simply reaching the national average does not achieve optimal funding for schools in Nevada.
- On the page that follows this summary are two exhibits that illustrate 1) the amounts needed each year to achieve funding parity with the national average and 2) the amounts needed each year to achieve the APA recommended funding levels. By year 10, the amount needed to fund education at the national average is \$2.6 billion more than current funding levels. To achieve the APA recommended funding level by year 10, an additional \$3.2 billion above current funding levels is needed. These amounts are in 2033 dollars. In current dollars, the amounts needed to achieve the national average and APA recommended funding levels are \$2.2 billion and \$2.7 billion, respectively.

KEY CONSIDERATIONS

- Nevada has historically and traditionally funded education primarily using property tax and sales tax revenues. In more recent times, other tax sources have been enacted to augment funding from these sources. Property and sales tax revenues are both commonly used to fund education in other states across the country.
- Placing a premium upon revenue sufficiency, stability/predictability, and equity led the Commission to focus on a broader-based excise (sales and use tax) and upon property (ad valorem) taxes as potential solutions. The magnitude of the education funding challenge dictates that the revenue sources that will make up a funding solution be both robust and scalable over time. Both property tax and sales and excise taxes fit this need.
- Property and excise taxes are both revenue systems that present the state a much-needed opportunity to modernize to align with the realities of today's economy, which is a worthwhile endeavor on its own.
- The property tax system in Nevada is applied based upon rules and conventions set up many years ago, and the system is badly in need of modernization. Assessments are not based upon anything that relates to market values.

Nevada is the only state in the nation that applies a depreciation factor to its assessments. The recently imposed system of abatements has significantly impacted the yield of property tax revenue and fails to track funding needs. Well over \$1 billion of taxes that are currently assessed are abated.

- Approximately two-thirds of Nevada's economic activity is not captured by the existing sales and use tax systems owing primarily to both implicit and explicit exemptions. The implicit exemptions are due to the state's definitional limitation of applying the tax to tangible personal property sold at retail, resulting in the sale of intangible products or services escaping the application of the tax.
- Despite moving to a more service centered economy and commerce shifting from tangible to intangible goods due in large part to the growth of digitized products and services, Nevada has not updated its sales and use tax system. The result of failing to modernize the sales and excise tax systems has resulted in a shrinking base. Updating the system now provides the opportunity to broaden the taxable base and level the playing field between sellers of goods and services.
- The capacity of these existing tax sources suggests there may be sufficient room within those systems to address the identified per pupil spending needs in Nevada over the ten-year period identified in SB 543 and AB 495. These are the only existing tax sources that can meet the revenue demands required to achieve the targeted spending levels in the coming decade.

RECOMMENDATIONS

- The Commission recommends that the State consider the following series of options for modernization of the property tax system, each of which would enhance revenue production for application to education:
 - Abatements can be capped at their current levels, phased out over time, or eliminated.
 - Depreciation can be frozen at current levels, phased out over time, or eliminated immediately.
 - Abatements and depreciation can be phased out over the ensuing ten years, or could be eliminated immediately.
 - Abatements can be phased out and depreciation can be frozen at current levels.
 - A change to the assessment ratio of 35 percent can be considered.
 - The \$3.66 combined ad valorem rate cap can be revisited.
 - The school operating levy could be exempted from abatement on a going forward basis.
 - Remove abatements while reducing current ad valorem tax rates to a point of revenue neutrality, thereby increasing headroom under the current \$3.66 combined tax cap.
- The Commission recommends the following tax policy improvements and revenue options for modernization of the sales and use tax:
 - Consider the efforts that recognize that advances in technology have led to a degradation of the base against which sales and use taxes are applied, broadening the tax base and addressing economic leakage.
 - Consider creating a pool of currently untaxed transactions, including certain non-essential services and intangibles, to form a base against which an excise tax can be applied to generate additional revenue for education.
 - In addition to broadening the application of the tax-based excise tax, consideration can be given to increasing the Local School Support Tax component of the sales and use tax.

COMMISSION ON SCHOOL FUNDING

SUPPORTING TABLES

NATIONAL AVERAGE INCREMENTAL AND AGGREGATE FUNDING REQUIREMENTS

Fiscal Year	Incremental Shortfall	Aggregate Shortfall	Adjusted Shortfall
2024	\$222,827,154	\$222,827,154	\$72,827,154
2025	\$234,013,078	\$456,840,232	\$306,840,232
2026	\$245,620,151	\$702,460,383	\$552,460,383
2027	\$257,662,468	\$960,122,851	\$810,122,851
2028	\$270,154,567	\$1,230,277,418	\$1,080,277,418
2029	\$283,111,439	\$1,513,388,858	\$1,363,388,858
2030	\$296,548,547	\$1,809,937,404	\$1,659,937,404
2031	\$310,481,834	\$2,120,419,238	\$1,970,419,238
2032	\$324,927,743	\$2,445,346,981	\$2,295,346,981
2033	\$339,903,230	\$2,785,250,211	\$2,635,250,211

APA INCREMENTAL AND AGGREGATE FUNDING REQUIREMENTS

Fiscal Year	Incremental Shortfall	Aggregate Shortfall	Adjusted Shortfall
2024	\$270,773,723	\$270,773,723	\$120,773,723
2025	\$284,366,564	\$555,140,287	\$405,140,287
2026	\$298,471,175	\$853,611,462	\$703,611,462
2027	\$313,104,684	\$1,166,716,147	\$1,016,716,147
2028	\$328,284,756	\$1,495,000,902	\$1,345,000,902
2029	\$344,029,608	\$1,839,030,510	\$1,689,030,510
2030	\$360,358,028	\$2,199,388,538	\$2,049,388,538
2031	\$377,289,394	\$2,576,677,932	\$2,426,677,932
2032	\$394,843,685	\$2,971,521,617	\$2,821,521,617
2033	\$413,041,505	\$3,384,563,122	\$3,234,563,122

Appendix C

Nevada Northern Railway Track Map

TIGER Grant Overview

Cobre MP 0 – Keystone MP 146.5

Built in 1905/1906 to develop the copper mines near Ruth
Rail service ended June 20, 1986

Cobre MP 0 – McGill Junction MP 128.8

Purchased 9/27/2005 by City of Ely & the Foundation
Track Miles 128.8

McGill Junction MP 128.8 – Keystone MP 147

Given to City of Ely & the Foundation 11/30/1987
Track Miles: Mainline 28.8 miles; Yard 6.7 miles; Total 35.5 miles

PROJECT AREA

Shafter MP 18.5 to Keystone MP 146.5

Shafter MP 18.5 – Currie MP 63

In Service - Track Miles 44.5

Returned to Service in 2010

Currie MP 63 – McGill Junction MP 128.8

Out of Service - Track Miles 65.8

McGill Junction MP 128.8 – Hiline Junction MP 135.3

Out of Service - Track Miles 6.5

Scheduled for rehab in 2013

Club 50 Crossing rebuilt in 2009

Hiline Junction MP 135.3 – Keystone MP 146.5

In Service - Track Miles 11.2

Track rehabbed 2009

Keystone MP 146.5 – Sunshine (Loadout) MP 148.3

Out of Service - Track Miles 1.8 (Owned by the mine)

The mine will pay for the rehabbing of this track.

Eureka Hay Growers - Operating

Ships/month:

45,000 tons

Midway Gold - Opening 2014

Needs/month:

750,000 gals of fuel

500,000 lbs of mill balls

Ruth Mine - Operating

Ships/month:

21,000 tons

Needs/month:

1,000,000 gals of fuel

1,000,000 lbs of mill balls

SUNSHINE
ORE
LOAD OUT
MP 148.3

