



**CITY OF ELY, NEVADA**

**FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025**

**Together with Independent Auditor's Report**

**CITY OF ELY, NEVADA**  
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CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of City Council  
City of Ely, Nevada

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ely, Nevada (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; schedules of revenues, expenditures and changes in fund balances – budget and actual; schedule of proportionate share of the net pension liability; schedule of contributions; schedule of changes in the total OPEB liability and related ratios; and the related notes to the required supplementary information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

***Change in Accounting Principle***

As described in Note 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Other Report Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 28, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*KYC, CPA*

Woods Cross, Utah  
November 28, 2025

## **CITY OF ELY, NEVADA MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Ely, we offer readers of the City of Ely's financial statements this narrative overview and analysis of the financial activities of the City of Ely for the fiscal year ended June 30, 2025.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Ely exceeded its liabilities and deferred inflows of resources, at June 30, 2025, by \$36,316,331 (net position). Of this amount, \$8,920,266 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,078,562. The City's business-type activities' net position increased by \$2,617,165. The governmental activities' net position decreased by \$1,538,603.
- As of June 30, 2025, the City of Ely's governmental funds reported combined ending fund balances of \$6,478,707, with \$1,087,735 available for spending at the City's discretion (unassigned fund balance).
- As of June 30, 2025, unassigned fund balance in the general fund was \$1,087,735, or 15.7% of general fund expenditures.

### **Financial Statement Overview**

This discussion and analysis is intended to serve as an introduction to the City of Ely's basic financial statements. The City of Ely's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements.

#### **Government-Wide Financial Statements**

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

- The *statement of net position* presents information on all of the City of Ely's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ely is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items with the resulting cash flows being reported in future fiscal periods.

Both the government-wide financial statements distinguish functions of the City of Ely that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ely include general government, judicial, public safety, public works, streets and highways, health and sanitation, culture and recreation, and community support. The business-type activities of the City of Ely include water, sanitation (sewer), and sanitary landfill operations.

#### **Fund Financial Statements**

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

## **CITY OF ELY, NEVADA MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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

The City of Ely maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street fund which are considered to be major funds. Individual fund data, for each of the non-major governmental funds, is provided in the form of combining statements elsewhere in the report.

The City of Ely adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison, for the City's general and street funds, has been provided in the required supplemental information to demonstrate compliance with this budget. Budget comparisons for other funds are provided elsewhere in the report.

- *Proprietary Funds.* The City of Ely uses enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The City of Ely uses enterprise funds to account for its water, sewer, and landfill activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water activity, the sewer activity, and the landfill activity and are considered major funds of the City of Ely.

### Notes to the Financial Statements

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

### Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial condition. In the case of the City of Ely, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$36,316,331 at June 30, 2025, versus \$35,318,199 at June 30, 2024, an increase of \$998,132 resulting from grant revenues received in the current year.

**CITY OF ELY, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Ely's Net Position**

	Governmental Activities		Business-type Activities		2025	Total
	2025	2024	2025	2024		
Current and other assets	\$ 6,925,921	\$ 8,712,462	\$ 16,217,065	\$ 15,007,356	\$ 23,142,986	\$ 23,719,818
Capital assets	6,946,998	6,741,003	14,071,611	12,987,836	21,018,609	19,728,839
Total assets	13,872,919	15,453,465	30,288,676	27,995,192	44,161,595	43,448,657
Total deferred outflows of resources	1,343,751	1,294,858	924,485	941,576	2,268,236	2,236,434
Long-term liabilities outstanding	207,200	99,306	1,836,067	1,886,405	2,043,267	1,985,711
Other liabilities	3,472,312	3,747,345	3,708,276	4,174,956	7,180,588	7,922,301
Total liabilities	3,679,512	3,846,651	5,544,343	6,061,361	9,223,855	9,908,012
Total deferred inflows of resources	509,309	254,790	380,336	204,090	889,645	458,880
Net position:						
Net investment in capital assets	6,946,998	6,741,003	14,631,322	13,923,656	21,578,320	20,664,659
Restricted	1,015,906	909,883	4,801,839	4,053,452	5,817,745	4,963,335
Unrestricted	3,064,945	4,995,996	5,855,321	4,694,209	8,920,266	9,690,205
Total net position	\$ 11,027,849	\$ 12,646,882	\$ 25,288,482	\$ 22,671,317	\$ 36,316,331	\$ 35,318,199

The largest portion of the City of Ely's net position (59.4%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Ely uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Ely's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debts.

Restricted net position represents 16.0% of the City's net position. This represents resources that are subject to external restrictions on how they may be used. These include the debt-restricted cash in the water and sewer funds and cash set aside to alleviate future revenue shortfalls in the general-government funds.

The remaining portion of the City's net position (24.6%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

**CITY OF ELY, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**City of Ely's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,297,055	\$ 1,242,380	\$ 3,837,591	\$ 3,917,610	\$ 5,134,646	\$ 5,159,990
Operating grants and contributions	80,071	644	599,116	605,130	679,187	605,774
Capital grants and contributions	827,192	2,049,216	135,919	411,333	963,111	2,460,549
General revenues:						
Consolidated taxes	2,511,201	1,833,419	-	-	2,511,201	1,833,419
Fuel taxes	169,760	166,881	-	-	169,760	166,881
Room taxes	375,705	393,281	-	-	375,705	393,281
Share of county gaming tax	39,960	70,497	-	-	39,960	70,497
Property taxes	260,581	185,520	-	-	260,581	185,520
Franchise taxes	211,330	219,306	-	-	211,330	219,306
Excise tax	3,135	4,827	-	-	3,135	4,827
Other revenue	136,143	137,697	-	-	136,143	137,697
Gain (loss) on sale of assets	(3,486)	(8,960)	-	-	(3,486)	(8,960)
Investment earnings	259,738	57,969	537,249	115,840	796,987	173,809
Total revenues	<u>6,168,385</u>	<u>6,352,677</u>	<u>5,109,875</u>	<u>5,049,913</u>	<u>11,278,260</u>	<u>11,402,590</u>
<b>Expenses:</b>						
General government	293,860	261,266	-	-	293,860	261,266
Judicial	318,826	351,120	-	-	318,826	351,120
Public safety	2,652,703	2,628,313	-	-	2,652,703	2,628,313
Public works	240,271	135,586	-	-	240,271	135,586
Health and sanitation	348,345	388,014	-	-	348,345	388,014
Culture and recreation	192,927	94,211	-	-	192,927	94,211
Community support	280,218	212,233	-	-	280,218	212,233
Highways and streets	1,499,838	1,368,133	-	-	1,499,838	1,368,133
Water	-	-	1,694,483	1,587,985	1,694,483	1,587,985
Sewer	-	-	1,374,211	1,418,454	1,374,211	1,418,454
Landfill	-	-	1,304,016	1,189,665	1,304,016	1,189,665
Total expenses	<u>5,826,988</u>	<u>5,438,876</u>	<u>4,372,710</u>	<u>4,196,104</u>	<u>10,199,698</u>	<u>9,634,980</u>
Increase in net position before transfers	341,397	913,801	737,165	853,809	1,078,562	1,767,610
Transfers	<u>(1,880,000)</u>	<u>-</u>	<u>1,880,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	(1,538,603)	913,801	2,617,165	853,809	1,078,562	1,767,610
Net position - beginning of year	12,646,882	11,733,081	22,671,317	21,817,508	35,318,199	33,550,589
Prior period adjustment	<u>(80,430)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,430)</u>	<u>-</u>
Net position - end of year	<u>\$ 11,027,849</u>	<u>\$ 12,646,882</u>	<u>\$ 25,288,482</u>	<u>\$ 22,671,317</u>	<u>\$ 36,316,331</u>	<u>\$ 35,318,199</u>

**Governmental Activities**

Program revenues include charges for services, fines and forfeitures, certain licenses and permits, and both operating and capital grants and contributions. Charges for services revenues of the governmental activities provided 21.0% of total governmental revenues. The remaining program costs were financed from grants and general revenues. The largest general revenue source is consolidated taxes of \$2,511,201 which provided 40.7% of the total governmental revenues.

**Business-Type Activities**

Program revenues and charges for services, provided all the resources necessary to pay the cost of providing program services.

## CITY OF ELY, NEVADA MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the City's Funds

#### Governmental Funds

The focus of the City of Ely's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Ely's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Ely's governmental funds reported combined ending fund balances of \$6,478,707; \$1,087,735 of this balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is designated nonspendable, restricted, or committed to indicate that it is either not available for spending or restricted/committed for specific purposes.

- *General Fund.* The general fund is the chief operating fund of the City of Ely. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,087,735. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Unassigned fund balance represents 15.7% of total general fund expenditures.

The fund balance of the general fund decreased by \$2,600,242 during the current year. This was a favorable difference of \$520,293 when compared to the budgeted decrease of \$3,120,535. This is due to several departments' budgets being underspent.

The major revenue sources of the general fund are intergovernmental revenues (\$2,993,492) which represent 69.3% of the general fund's revenues. The intergovernmental revenues include consolidated tax (CTX) – sales, liquor, cigarette and motor vehicle taxes – and grants.

The major general fund expenditures are for public safety, which are 60.5% (\$2,334,071) of total general fund expenditures. The public safety expenditures included \$1,499,147 for Fire Department operations, and \$834,924 for transfer payments to White Pine County for police services.

- *Street Fund.* The street fund is the special revenue fund used to account for the City's share of motor vehicle fuel tax revenues. The revenue is dedicated to the repair, maintenance, and construction of the City's streets and alleys. The City and County are working together to utilize Regional Transportation Commission revenue and Public Transit Fund revenue to improve the City streets. During the course of the year the fund had an decrease in fund balance of \$127,567 due to expenditures on capital projects.
- *Capital Projects Fund.* The capital projects fund is a capital projects fund established to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital project needs within the City. The majority of the revenue (\$478,325) came from these taxes.

#### Proprietary Funds

The City's proprietary funds are comprised of the three City utility funds: water, sewer, and landfill. The government-wide financial data is the same as the individual fund data, as the enterprise funds are accounted for under the full accrual method of accounting. No general tax revenues are used to support these funds.

- *Municipal Water Fund.* Operating revenue increased by \$24,682 (1.8%). Operating expenses increased 12.8% (\$159,196) for the year. The change in net position for the year was an increase of \$1,162,420 due to grant revenues and transfers from the general fund funding capital projects.

# **CITY OF ELY, NEVADA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

- *Sanitation Fund.* The City's sewer fund operating revenue decreased by \$16,132 (1.3%). Operating expenses decreased by 3.3% (\$41,104) for the year. The change in net position for the year was an increase of \$1,419,472 due to grant revenues and transfers from the general fund funding capital projects.
- *Sanitary Landfill Fund.* The City's landfill fund operating revenue decreased by \$12,040 (1.1%). Operating expenses increased by 9.6% (\$114,351) for the year, due primarily to the adjustment to the landfill post-closure liability. The fund had a increase in net position for the year of \$35,273. The fund is accumulating cash to pay the projected closure and post closure care costs in line with current engineering estimates.

## Budgetary Highlights

The General Fund's legal level of budgetary control is the function level. The budget for expenditure appropriation for the year was \$4,460,518. Actual expenditures were \$3,858,454 less than the final budget. Variations between the original budget and final budget are due to the Community Support budget being reappropriated for capital projects. No functions of the general fund were over budget for the year ended June 30, 2025.

## **Capital Assets and Debt Administration.**

## Capital Assets

The City of Ely's investment in capital assets for its government and business-type activities, as of June 30, 2025, amounts to \$23,530,515, net of depreciation. The assets are displayed by type of activity and asset below.

### **City of Ely's Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,956,335	\$ 1,956,335	\$ 140,478	\$ 140,478	\$ 2,096,813	\$ 2,096,813
Construction in progress	681,973	679,973	2,194,710	2,661,198	2,876,683	3,341,171
Streets	723,128	781,532	-	-	723,128	781,532
Flood control	76,939	86,394	-	-	76,939	86,394
Improvements	344,688	360,959	12,386,287	11,663,567	12,730,975	12,024,526
Buildings	1,233,997	1,200,958	467,025	195,991	1,701,022	1,396,949
Vehicles and equipment	1,929,938	1,674,852	1,176,499	1,086,478	3,106,437	2,761,330
Georgetown Ranch	-	-	41,800	41,800	41,800	41,800
<b>Total</b>	<b>\$ 6,946,998</b>	<b>\$ 6,741,003</b>	<b>\$ 16,406,799</b>	<b>\$ 15,789,512</b>	<b>\$ 23,353,797</b>	<b>\$ 22,530,515</b>

Major capital asset additions for the fiscal year are as follows:

<b>Governmental activities:</b>		<b>Buisness-type activities:</b>	
Building improvements	\$ 101,339	Building improvements	\$ 206,446
Equipment	542,336	Water system improvements	682,071
		Sewer system improvements	267,924
		Equipment	236,372

Additional information on the City of Ely's capital assets can be found in notes to the financial statements.

### Outstanding Debt

At the end of the fiscal year, the City had total debt of \$1,733,677. Of this amount, the governmental activities had no outstanding debt and the business-type activities had \$1,733,677. These amounts are not considered general obligation debt. The debts are revenue bonds.

**CITY OF ELY, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

	City of Ely's Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue bonds payable	\$ -	\$ -	\$ 1,733,677	\$ 1,824,056	\$ 1,733,677	\$ 1,824,056
Total	\$ -	\$ -	\$ 1,733,677	\$ 1,824,056	\$ 1,733,677	\$ 1,824,056

Additional information on the City of Ely's long-term debt can be found in notes to the financial statements.

**Other Factors/Economic Factors**

The City Budgeted 64.4% of its General Fund revenues from the consolidated Tax (CTX) distributions (predominately sales taxes) and experienced an increase in revenues of \$664,304 (36.2%) from the prior year. Additional growth, retail sales and continued construction may increase the amount of CTX tax distributions the City receives over time. Mining continues to be a strong source of regional employment but is always subject to the variances of commodity price fluctuations now being experienced. Expansion of current mining operations and the possible opening of new mines would contribute to the sales tax.

The General Fund of the City has held its financial condition as a result of strict budgeting practices along with the efforts of the City personnel to work smart with conscientious spending. Although the City is expecting fluctuations in tax revenues, with the continued practice of holding or reducing expenditures as needed, these fluctuations are not expected to have a significant impact on the City's financial health in the near term.

The City of Ely's Enterprise Funds (Water, Sewer, and Landfill) continue to be financially sound.

- *Municipal Water Fund.* The Water Fund revenue is holding steady, and the City is investing in improving and upgrading the system mostly through grants and community support funds.
- *Sanitation Fund.* The Sewer Fund revenue is also holding steady, and the City is investing in improving and upgrading the system mostly through grants and community support funds.
- *Sanitary Landfill Fund.* The Landfill Fund continues to operate efficiently. Landfill improvements and the permitting of the class III section (construction waste) has improved the life of the project and should lead to long-term cost reductions for the community.

**Requests for information**

This report is designed to provide a general overview of the city of Ely's finances for all interested parties. Questions concerning the information provided in this report or requests for additional information should be addressed to City Clerk or City Treasurer, City of Ely, 501 Mill St., Ely, Nevada 89301.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF ELY, NEVADA**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,036,366	\$ 6,841,754	\$ 10,878,120
Accounts receivable, net	37,734	343,631	381,365
Due from other governments	599,394	195,092	794,486
Prepaid expenses	1,161,307	285,245	1,446,552
Inventory	-	93,695	93,695
Notes receivable	16,104	-	16,104
Leases receivable	28,373	46,986	75,359
Deposits	1,200	-	1,200
Restricted assets:			
Cash and cash equivalents	1,040,365	6,075,474	7,115,839
Due from other governments	1,921	-	1,921
Notes receivable	3,157	-	3,157
Property and equipment not being depreciated	2,638,308	2,335,188	4,973,496
Property and equipment, net of depreciation	4,308,690	14,029,811	18,338,501
Non-service property, Georgetown Ranch, net	-	41,800	41,800
<b>Total assets</b>	<b>13,872,919</b>	<b>30,288,676</b>	<b>44,161,595</b>
<b>Deferred outflows of resources</b>			
Pensions	1,334,001	917,425	2,251,426
OPEB	9,750	7,060	16,810
<b>Total deferred outflows of resources</b>	<b>1,343,751</b>	<b>924,485</b>	<b>2,268,236</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 15,216,670</b>	<b>\$ 31,213,161</b>	<b>\$ 46,429,831</b>
<b>Liabilities</b>			
Accounts payable	\$ 151,704	\$ 174,676	\$ 326,380
Accrued liabilities	141,991	80,585	222,576
Accrued interest payable	-	10,421	10,421
Customer deposits	12,733	59,126	71,859
Unearned revenue	110,964	-	110,964
Noncurrent liabilities:			
Due within one year	93,618	160,349	253,967
Due in more than one year	113,582	1,675,718	1,789,300
Landfill closure costs	-	1,273,635	1,273,635
Net OPEB liability	96,511	75,264	171,775
Net pension liability	2,958,409	2,034,569	4,992,978
<b>Total liabilities</b>	<b>3,679,512</b>	<b>5,544,343</b>	<b>9,223,855</b>
<b>Deferred inflows of resources</b>			
Leases	29,822	50,581	80,403
Pensions	479,487	329,755	809,242
<b>Total deferred inflows of resources</b>	<b>509,309</b>	<b>380,336</b>	<b>889,645</b>
<b>Net position</b>			
Net investment in capital assets	6,946,998	14,631,322	21,578,320
Restricted for:			
Judicial	111,497	-	111,497
Debt service	-	187,501	187,501
Community development	758,677	-	758,677
Stabilization	145,732	-	145,732
Capital projects	-	4,291,024	4,291,024
Landfill closure	-	323,314	323,314
Unrestricted	3,064,945	5,855,321	8,920,266
<b>Total net position</b>	<b>11,027,849</b>	<b>25,288,482</b>	<b>36,316,331</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 15,216,670</b>	<b>\$ 31,213,161</b>	<b>\$ 46,429,831</b>

The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Governmental activities</b>								
General government	\$ 297,346	\$ 209,597	\$ -	\$ 56,500	\$ (31,249)	\$ -	\$ (31,249)	
Judicial	318,826	59,983	-	-	(258,843)	-	(258,843)	
Public safety	2,652,703	864,943	-	241,890	(1,545,870)	-	(1,545,870)	
Public works	240,271	66,531	-	-	(173,740)	-	(173,740)	
Health and sanitation	348,345	-	71	-	(348,274)	-	(348,274)	
Culture and recreation	192,927	55,997	80,000	-	(56,930)	-	(56,930)	
Community support and development	280,218	20,004	-	(56,500)	(316,714)	-	(316,714)	
Highways and streets	1,499,838	20,000	-	585,302	(894,536)	-	(894,536)	
<b>Total governmental activities</b>	<b>5,830,474</b>	<b>1,297,055</b>	<b>80,071</b>	<b>827,192</b>	<b>(3,626,156)</b>	<b>-</b>	<b>(3,626,156)</b>	
<b>Business-type activities</b>								
Municipal water	1,694,483	1,454,052	599,116	-	-	358,685	358,685	
Sanitation	1,374,211	1,231,203	-	135,919	-	(7,089)	(7,089)	
Landfill	1,304,016	1,152,336	-	-	-	(151,680)	(151,680)	
<b>Total business-type activities</b>	<b>4,372,710</b>	<b>3,837,591</b>	<b>599,116</b>	<b>135,919</b>	<b>-</b>	<b>199,916</b>	<b>199,916</b>	
<b>Total government</b>	<b>\$ 10,203,184</b>	<b>\$ 5,134,646</b>	<b>\$ 679,187</b>	<b>\$ 963,111</b>	<b>(3,626,156)</b>	<b>199,916</b>	<b>(3,426,240)</b>	
<b>General revenues</b>								
Property taxes				260,581	-	260,581	260,581	
Franchise tax				211,330	-	211,330	211,330	
Room taxes				375,705	-	375,705	375,705	
Consolidated tax				2,511,201	-	2,511,201	2,511,201	
Share of county gaming tax				39,960	-	39,960	39,960	
Fuel tax				169,760	-	169,760	169,760	
Excise tax				3,135	-	3,135	3,135	
Other revenue				136,143	-	136,143	136,143	
Gain on sale of assets				-	46,959	46,959	46,959	
Investment earnings				259,738	490,290	750,028	750,028	
<b>Transfers</b>				<b>(1,880,000)</b>	<b>1,880,000</b>	<b>-</b>	<b>-</b>	
<b>Total general revenues and transfers</b>				<b>2,087,553</b>	<b>2,417,249</b>	<b>4,504,802</b>	<b>4,504,802</b>	
Changes in net position				(1,538,603)	2,617,165	1,078,562	1,078,562	
<b>Net position, beginning</b>				<b>12,646,882</b>	<b>22,671,317</b>	<b>35,318,199</b>	<b>35,318,199</b>	
Prior period adjustment				(80,430)	-	(80,430)	(80,430)	
<b>Net position, ending</b>				<b>\$ 11,027,849</b>	<b>\$ 25,288,482</b>	<b>\$ 36,316,331</b>	<b>\$ 36,316,331</b>	

The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2025**

	<b>General Fund</b>	<b>Street Fund</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 1,519,757	\$ 13,206	\$ 2,011,689	\$ 491,713	\$ 4,036,365
Accounts receivable	12,355	-	-	25,379	37,734
Due from other governments	478,107	47,163	74,124	-	599,394
Prepaid expenses	275,658	19,041	866,608	-	1,161,307
Notes receivable	-	-	-	16,104	16,104
Leases receivable	28,373	-	-	-	28,373
Deposits	1,200	-	-	-	1,200
Restricted assets:					
Cash and cash equivalents	145,732	-	-	894,633	1,040,365
Due from other governments	-	-	-	1,921	1,921
Notes receivable	-	-	-	3,157	3,157
<b>Total Assets</b>	<b><u>\$ 2,461,182</u></b>	<b><u>\$ 79,410</u></b>	<b><u>\$ 2,952,421</u></b>	<b><u>\$ 1,432,907</u></b>	<b><u>\$ 6,925,920</u></b>
<b>Liabilities</b>					
Accounts payable	\$ 117,126	\$ 4,669	\$ -	\$ 29,908	\$ 151,703
Accrued liabilities	126,139	11,535	-	4,317	141,991
Developer and customer deposits	12,733	-	-	-	12,733
Unearned revenue	110,964	-	-	-	110,964
<b>Total liabilities</b>	<b><u>366,962</u></b>	<b><u>16,204</u></b>	<b><u>-</u></b>	<b><u>34,225</u></b>	<b><u>417,391</u></b>
<b>Deferred inflows of resources</b>					
Leases	29,822	-	-	-	29,822
<b>Total deferred inflows of resources</b>	<b><u>29,822</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,822</u></b>
<b>Fund balances</b>					
Nonspendable:					
Prepays	275,658	-	-	-	275,658
Restricted for:					
Stabilization	145,732	-	-	-	145,732
Other purposes	-	-	-	870,174	870,174
Committed to:					
Capital outlay	-	63,206	2,952,421	415,940	3,431,567
Other purposes	555,273	-	-	112,568	667,841
Unassigned	1,087,735	-	-	-	1,087,735
<b>Total fund balances</b>	<b><u>2,064,398</u></b>	<b><u>63,206</u></b>	<b><u>2,952,421</u></b>	<b><u>1,398,682</u></b>	<b><u>6,478,707</u></b>
<b>Total Liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 2,461,182</u></b>	<b><u>\$ 79,410</u></b>	<b><u>\$ 2,952,421</u></b>	<b><u>\$ 1,432,907</u></b>	<b><u>\$ 6,925,920</u></b>

The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance - governmental funds</b>	\$ 6,478,707
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	\$ 18,987,759
Less: accumulated depreciation	<u>(12,040,761)</u>
	6,946,998

Long-term liabilities, including compensated absences, and net OPEB and pension liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	\$ (207,200)
Net OPEB liability	(96,511)
Net pension liability	<u>(2,958,409)</u>
	(3,262,120)

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred outflows related to pensions	\$ 1,334,001
Deferred inflows related to pensions	(479,487)
Deferred outflows related to OPEB	<u>9,750</u>
	864,264
<b>Net position - governmental activities</b>	<b><u>\$ 11,027,849</u></b>

The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

	General Fund	Street Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 88,000	\$ -	\$ 478,325	\$ 284,426	\$ 850,751
Licenses, permits and fees	259,582	-	-	-	259,582
Intergovernmental revenue	2,993,492	750,407	13,478	-	3,757,377
Charges for services	575,001	-	-	7,372	582,373
Fines and forfeitures	52,611	-	-	-	52,611
Interest income	153,168	-	58,224	48,346	259,738
Other revenues	199,394	24,655	241,890	-	465,939
<b>Total revenues</b>	<b>4,321,248</b>	<b>775,062</b>	<b>791,917</b>	<b>340,144</b>	<b>6,228,371</b>
<b>Expenditures</b>					
Current:					
General government	259,096	-	-	-	259,096
Judicial	307,928	-	-	11,074	319,002
Public safety	2,334,071	-	-	27,278	2,361,349
Public works	219,563	-	-	-	219,563
Health and sanitation	316,997	-	-	-	316,997
Culture and recreation	156,546	-	-	-	156,546
Community support and development	264,253	-	-	84,753	349,006
Highways and streets	-	1,389,179	-	8,000	1,397,179
Capital outlay	-	-	558,220	-	558,220
<b>Total expenditures</b>	<b>3,858,454</b>	<b>1,389,179</b>	<b>558,220</b>	<b>131,105</b>	<b>5,936,958</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>462,794</b>	<b>(614,117)</b>	<b>233,697</b>	<b>209,039</b>	<b>291,413</b>
<b>Other financing sources (uses)</b>					
Sale of capital assets	1,964	1,550	-	-	3,514
Transfers in	-	485,000	700,000	-	1,185,000
Transfers out	(3,065,000)	-	-	-	(3,065,000)
<b>Total other financing sources (uses)</b>	<b>(3,063,036)</b>	<b>486,550</b>	<b>700,000</b>	<b>-</b>	<b>(1,876,486)</b>
<b>Net change in fund balances</b>	<b>(2,600,242)</b>	<b>(127,567)</b>	<b>933,697</b>	<b>209,039</b>	<b>(1,585,073)</b>
<b>Fund balance, beginning of year</b>	<b>4,664,640</b>	<b>190,773</b>	<b>2,018,724</b>	<b>1,189,643</b>	<b>8,063,780</b>
<b>Fund balance, end of year</b>	<b>\$ 2,064,398</b>	<b>\$ 63,206</b>	<b>\$ 2,952,421</b>	<b>\$ 1,398,682</b>	<b>\$ 6,478,707</b>

The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

Amounts reported for governmental activities in the statement of activities are different because:

**Net change in fund balances - total governmental funds** \$ (1,585,073)

Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (501,467)

Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position. 714,463

Government funds have proceeds from the sale of assets as revenue. However, the statement of activities reports the gain or loss on the sale of assets. (7,000)

Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension and OPEB liabilities are measured a year before the report date. Pension and OPEB expenses, which are the changes in the net pension and OPEB liabilities adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, are reported in the statement of activities.

Pension expense	\$ (83,563)	
OPEB expense	8,003	(75,560)

Compensated absences expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (27,466)

Governmental funds recognize revenues when they are both measurable and available; however, in the statement of activities, revenue is recognized when earned. (56,500)

Change in net position - governmental activities	\$ (1,538,603)	
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The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2025**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Municipal</b>			
	<b>Water</b>	<b>Sanitation</b>	<b>Landfill</b>	<b>Total</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 2,067,144	\$ 2,339,959	\$ 2,434,651	\$ 6,841,754
Receivables, net of allowance	151,710	104,483	87,438	343,631
Due from other governments	60,711	134,381	-	195,092
Prepaid expense	36,858	223,937	24,450	285,245
Lease receivable, current	15,622	-	-	15,622
Inventory	93,695	-	-	93,695
<b>Total current assets</b>	<b>2,425,740</b>	<b>2,802,760</b>	<b>2,546,539</b>	<b>7,775,039</b>
<b>Noncurrent assets</b>				
Restricted cash and cash equivalents	2,801,825	1,676,700	1,596,949	6,075,474
Lease receivable, net of current	31,364	-	-	31,364
Capital assets not being depreciated:				
Land and easements	125,646	-	14,832	140,478
Construction in progress	1,715,161	479,549	-	2,194,710
Capital assets, net of accumulated depreciation:				
Treatment facilities and improvements	15,079,311	13,313,324	250,558	28,643,193
Buildings	465,623	-	339,019	804,642
Machinery, equipment and vehicles	772,759	551,744	2,076,924	3,401,427
Less accumulated depreciation	(9,596,788)	(7,507,164)	(1,715,499)	(18,819,451)
<b>Total noncurrent assets</b>	<b>11,394,901</b>	<b>8,514,153</b>	<b>2,562,783</b>	<b>22,471,837</b>
<b>Other assets</b>				
Non-service property	50,014	-	-	50,014
Less accumulated depreciation	(8,214)	-	-	(8,214)
<b>Total other assets</b>	<b>41,800</b>	<b>-</b>	<b>-</b>	<b>41,800</b>
<b>Total assets</b>	<b>13,862,441</b>	<b>11,316,913</b>	<b>5,109,322</b>	<b>30,288,676</b>
<b>Deferred outflows of resources</b>				
Pensions	294,791	229,075	393,559	917,425
OPEB	2,006	1,871	3,183	7,060
<b>Total deferred outflows of resources</b>	<b>296,797</b>	<b>230,946</b>	<b>396,742</b>	<b>924,485</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 14,159,238</b>	<b>\$ 11,547,859</b>	<b>\$ 5,506,064</b>	<b>\$ 31,213,161</b>

The accompanying notes are an integral part of this statement.

**CITY OF ELY, NEVADA**  
**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUNDS**  
**June 30, 2025**

	<u>Business-type Activities - Enterprise Funds</u>				
	<u>Municipal</u>				<u>Total</u>
	<u>Water</u>	<u>Sanitation</u>	<u>Landfill</u>		
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 89,033	\$ 66,592	\$ 19,051	\$ 174,676	
Accrued liabilities	26,037	20,242	34,306	80,585	
Accrued interest	3,896	6,525	-	10,421	
Customer Deposits	17,523	20,005	21,598	59,126	
Current portion of noncurrent liabilities	<u>73,983</u>	<u>64,097</u>	<u>22,269</u>	<u>160,349</u>	
<b>Total current liabilities</b>	<u>210,472</u>	<u>177,461</u>	<u>97,224</u>	<u>485,157</u>	
<b>Noncurrent liabilities</b>					
Compensated absences	50,458	20,017	31,915	102,390	
Bonds payable	543,923	1,189,754	-	1,733,677	
Less current portion of noncurrent liabilities	<u>(73,983)</u>	<u>(64,097)</u>	<u>(22,269)</u>	<u>(160,349)</u>	
Net OPEB obligation	21,383	19,949	33,932	75,264	
Net pension liability	653,756	508,019	872,794	2,034,569	
Landfill closure/post closure costs	-	-	1,273,635	1,273,635	
<b>Total noncurrent liabilities</b>	<u>1,195,537</u>	<u>1,673,642</u>	<u>2,190,007</u>	<u>5,059,186</u>	
<b>Total liabilities</b>	<u>1,406,009</u>	<u>1,851,103</u>	<u>2,287,231</u>	<u>5,544,343</u>	
<b>Deferred inflows of resources</b>					
Leases	50,581	-	-	50,581	
Pensions	<u>105,958</u>	<u>82,338</u>	<u>141,459</u>	<u>329,755</u>	
<b>Total deferred inflows of resources</b>	<u>156,539</u>	<u>82,338</u>	<u>141,459</u>	<u>380,336</u>	
<b>Net position</b>					
Net investment in capital assets	8,017,789	5,647,699	965,834	14,631,322	
Restricted for:					
Debt service	74,174	113,327	-	187,501	
Capital improvements	2,727,651	1,563,373	-	4,291,024	
Landfill closure/post closure costs	-	-	323,314	323,314	
Unrestricted	<u>1,777,076</u>	<u>2,290,019</u>	<u>1,788,226</u>	<u>5,855,321</u>	
<b>Total net position</b>	<u>12,596,690</u>	<u>9,614,418</u>	<u>3,077,374</u>	<u>25,288,482</u>	
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u><u>\$ 14,159,238</u></u>	<u><u>\$ 11,547,859</u></u>	<u><u>\$ 5,506,064</u></u>	<u><u>\$ 31,213,161</u></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, 2025**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Municipal</b>			
	<b>Water</b>	<b>Sanitation</b>	<b>Landfill</b>	<b>Total</b>
<b>Operating revenues</b>				
Charges for services	\$ 1,393,191	\$ 1,204,285	\$ 1,149,966	\$ 3,747,442
Bad debt expense	-	-	(70,922)	(70,922)
<b>Total operating revenues</b>	<u>1,393,191</u>	<u>1,204,285</u>	<u>1,079,044</u>	<u>3,676,520</u>
<b>Operating expenses</b>				
Salaries and wages	411,634	313,105	500,663	1,225,402
Employee benefits	226,126	184,082	251,010	661,218
Service, supplies and other	426,558	505,882	345,822	1,278,262
Landfill closure/post closure costs	-	-	85,538	85,538
Depreciation and amortization	338,398	314,055	120,983	773,436
<b>Total operating expenses</b>	<u>1,402,716</u>	<u>1,317,124</u>	<u>1,304,016</u>	<u>4,023,856</u>
<b>Operating income (loss)</b>	<u>(9,525)</u>	<u>(112,839)</u>	<u>(224,972)</u>	<u>(347,336)</u>
<b>Nonoperating revenues (expenses)</b>				
Interest income	183,735	144,852	161,703	490,290
Rent income	19,769	-	-	19,769
Miscellaneous income	30,592	19,918	73,292	123,802
System obligation fees	10,500	7,000	-	17,500
Grant revenue	599,116	135,919	-	735,035
Gain on sale of assets	20,000	1,709	25,250	46,959
Interest expense	(28,322)	(57,087)	-	(85,409)
Miscellaneous expense	(263,445)	-	-	(263,445)
<b>Total nonoperating revenues (expenses)</b>	<u>571,945</u>	<u>252,311</u>	<u>260,245</u>	<u>1,084,501</u>
<b>Net income before transfers</b>	<u>562,420</u>	<u>139,472</u>	<u>35,273</u>	<u>737,165</u>
<b>Transfers in</b>	<u>600,000</u>	<u>1,280,000</u>	<u>-</u>	<u>1,880,000</u>
<b>Change in net position</b>	<u>1,162,420</u>	<u>1,419,472</u>	<u>35,273</u>	<u>2,617,165</u>
<b>Net position, beginning of year</b>	<u>11,434,270</u>	<u>8,194,946</u>	<u>3,042,101</u>	<u>22,671,317</u>
<b>Net position, end of year</b>	<u><u>\$ 12,596,690</u></u>	<u><u>\$ 9,614,418</u></u>	<u><u>\$ 3,077,374</u></u>	<u><u>\$ 25,288,482</u></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, 2025**

<b>Business-type Activities - Enterprise Funds</b>				
	<b>Municipal</b>			
	<b>Water</b>	<b>Sanitation</b>	<b>Landfill</b>	<b>Total</b>
<b>Cash flows from operating activities</b>				
Cash receipts from customers	\$ 1,414,849	\$ 1,205,020	\$ 1,095,235	\$ 3,715,104
Cash paid to suppliers for goods and services	(501,758)	(1,065,769)	(358,645)	(1,926,172)
Cash paid to employees for services	(593,466)	(495,780)	(754,059)	(1,843,305)
<b>Net cash flows from operating activities</b>	<b>319,625</b>	<b>(356,529)</b>	<b>(17,469)</b>	<b>(54,373)</b>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	600,000	1,280,000	-	1,880,000
Quadra mining receipts	273,598	-	-	273,598
Rental receipts	18,430	-	-	18,430
Other receipts	30,592	19,917	73,292	123,801
Quadra mining payments	(263,445)	-	-	(263,445)
<b>Net cash flows from noncapital financing activities</b>	<b>659,175</b>	<b>1,299,917</b>	<b>73,292</b>	<b>2,032,384</b>
<b>Cash flows from capital and related financing activities</b>				
State and federal grant receipts	369,632	374,917	-	744,549
System obligation fees received	10,500	7,000	-	17,500
Acquisition and construction of capital assets	(990,868)	(293,195)	(108,750)	(1,392,813)
Proceeds from sale of capital assets	20,000	3,800	25,250	49,050
Principal paid on long-term debt	(41,218)	(49,161)	-	(90,379)
Interest paid on long-term debt	(28,322)	(57,087)	-	(85,409)
<b>Net cash flows from capital and related financing activities</b>	<b>(660,276)</b>	<b>(13,726)</b>	<b>(83,500)</b>	<b>(757,502)</b>
<b>Cash flows from investing activities</b>				
Interest on investments	183,735	144,852	161,703	490,290
<b>Net cash flows from investing activities</b>	<b>183,735</b>	<b>144,852</b>	<b>161,703</b>	<b>490,290</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>502,259</b>	<b>1,074,514</b>	<b>134,026</b>	<b>1,710,799</b>
<b>Cash and cash equivalents, beginning</b>	<b>4,366,710</b>	<b>2,942,145</b>	<b>3,897,574</b>	<b>11,206,429</b>
<b>Cash and cash equivalents, ending</b>	<b>\$ 4,868,969</b>	<b>\$ 4,016,659</b>	<b>\$ 4,031,600</b>	<b>\$ 12,917,228</b>
<b>Reconciliation of operating income to net cash flows from operating activities</b>				
Operating income (loss)	\$ (9,525)	\$ (112,839)	\$ (224,972)	\$ (347,336)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation/amortization	338,398	314,055	120,983	773,436
Employer pension contributions	13,930	(9,267)	(26,121)	(21,458)
Employer OPEB contributions	(1,619)	(1,509)	(2,569)	(5,697)
Changes in operating assets, liabilities and deferred inflows and outflows:				
(Increase) decrease in receivables	21,998	233	15,662	37,893
(Increase) decrease in inventory	(17,108)	-	-	(17,108)
(Increase) decrease in prepaid expenses	(35,594)	(223,937)	(24,450)	(283,981)
Increase (decrease) in accounts payable	(22,498)	(335,950)	11,627	(346,821)
Increase (decrease) in accrued liabilities	13,347	3,291	13,791	30,429
Increase (decrease) in customer deposits	(340)	502	529	691
Increase (decrease) in compensated absences	18,636	8,892	12,513	40,041
Increase (decrease) in landfill closure/post-closure liability	-	-	85,538	85,538
<b>Net cash flows from operating activities</b>	<b>\$ 319,625</b>	<b>\$ (356,529)</b>	<b>\$ (17,469)</b>	<b>\$ (54,373)</b>

The accompanying notes are an integral part of this statement.

# CITY OF ELY, NEVADA

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

#### Reporting entity

The City of Ely (government) is a municipal corporation governed by an elected mayor and five-member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

*Blended component unit.* The City of Ely Redevelopment Agency (Agency) serves all the citizens of the government and is governed by a board comprised of the mayor and the city's elected council. The Agency was established in fiscal year 2005 as a separate and distinct legal entity to plan and finance revitalization projects in the City's redevelopment districts in order to provide a diversified and strengthened economy in specified areas of the City. The Agency's activities are approved by the government's council and the government is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Agency is reported as a special revenue fund.

#### Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

*Street Fund* – This special revenue fund accounts for the receipt of fuel taxes and other revenues dedicated to funding the repairs, maintenance, and new construction of city streets and alleys.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Capital Projects Fund* – This fund is used to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital project needs within the City.

The government reports the following major enterprise funds:

*Water Fund* – This fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

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

*Landfill Fund* – This fund accounts for the activities and transactions related to the operation of the regional landfill for all White Pine County residents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

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

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

**Measurement focus and basis of accounting**

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

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

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

**Cash and cash equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. This is the same definition of cash and cash equivalents used for the statement of cash flows for the City's proprietary funds.

**Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, banker's acceptances, commercial paper, negotiable certificates of deposit, and money market mutual funds. Investments for the government are reported at fair value, generally based on quoted market prices. See note 5 for further details.

**Receivables**

The City's proprietary funds bill for services provided on a monthly basis. The City records revenues on a monthly basis as the revenue is earned. The City has recognized and recorded allowance for doubtful accounts on amounts with significant uncertainty regarding its collectability. The reported receivable funds are net allowances of \$3,000 for the water fund, \$3,500 for the sewer fund, and \$391,000 for the landfill fund.

**Inventories**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Prepaid items

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

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,500 and an estimated useful life of two or more years.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

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

Building and improvements	5 to 40 years
Improvements other than buildings	5 to 50 years
Machinery and vehicles	5 to 15 years
Infrastructure	15 to 25 years

Compensated absences

The city's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Accumulated sick leave lapses when employees leave the employ of the city. Upon separation from service due to retirement specified amounts are paid to the retiring employees. No monetary obligation exists for other termination of employment.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Change in Accounting Principle

For 2025, the City implemented Governmental Accounting Standards Board Statement (GASBS) No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences by aligning it under a unified model to more appropriately reflect when a government incurs an obligation. These changes were incorporated in the City's 2025 financial statements and an adjustment of \$80,430 decreased net position of the governmental activities as of July 1, 2024. There is no effect in the governmental funds. An adjustment was not made to the net position of the proprietary funds or business-type activities because it was deemed immaterial by management.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two types of items that qualify for reporting in this category, pension related items (see Note 9) and other post-employment benefits related items (see Note 14).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item which qualifies for reporting in this category, pension related items (see Note 9).

Net position flow assumption

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

Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The city council (council) has by resolution authorized the city clerk to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Use of estimates**

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

**Revenues and expenditures/expenses**

**Program revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property taxes**

The White Pine County Assessor assesses all real property by December 31, each year. The County Treasurer bills and collects the City's share of property taxes. The County Treasurer remits, on a monthly basis, current and delinquent property tax collections to the City.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1st, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25th, the levy date, and property is liened on July 1st. Taxes on real property are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August, and the first Monday in October, January and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties, and costs, together with interest at the rate of 15 percent per year from the date the taxes were due (if four or more installments were delinquent), until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of the deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For the fiscal year 2024-2025, the allowable tax rates in White Pine County met the maximum combined tax rate (\$3.66). The City of Ely exchanged its tax rate for an increased share of the County's consolidated tax, in accordance with state statute, thereby allowing the other entities in White Pine County to assess their rates Countywide.

Proprietary funds operating and non-operating revenues and expenses

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

Related party transaction

During the year ended June 30, 2025, the City received a portion of the 45G Railroad Tax Credit payment from the Nevada Northern Railway Foundation for \$136,143, pursuant to an agreement the City has with the Foundation. The City also donated \$59,980 to the Foundation during the year. Two members of the city council sit on the board of the Foundation.

The City has also recorded a receivable of \$2,888 that is due from a business owned by a member of the city council. The City received payments of \$1,202 in principal and \$38 in interest on this note during the year ended June 30, 2025.

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 14.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 16.

**NOTE 3 STABILIZATION FUND**

Nevada Revised Statutes (NRS or statute) 354.6115 states that the governing body of a local government may, by resolution, establish a fund to stabilize the operation of the local government and mitigate the effects of natural disasters. In accordance with GASBS 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City's stabilization fund is included in the General Fund, as restricted fund balance, for the year ended June 30, 2025. The NRS also states that the money in this fund may be used only if the total actual revenue of the local government falls short of the total anticipated revenue in the general fund for the fiscal year in which the local government uses that money; or to pay expenses incurred by the local government to mitigate the effects of a natural disaster.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3 STABILIZATION FUND (Continued)**

In addition, NRS 354.6115 states that the balance in the stabilization amount must not exceed 10 percent of the expenditures from the general fund for the previous fiscal year, excluding any federal funds expended by the local government.

During the fiscal year ended June 30, 2025, the City complied with the provisions of this section.

**NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgets and Budgetary Accounting

Annual budgets are legally adopted for all funds and use a basis of accounting consistent with accounting principles generally accepted in the United States of America.

Prior to April 15, the City Treasurer submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada State Department of Taxation, and the Citizens via public hearings. The Nevada State Department of Taxation notifies the City Council of whether or not the budget is in compliance with the law and appropriate regulations. All changes to the tentative budget are made at the Public hearing conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1, and submits it to the Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the fund financial statements are those prescribed by the Nevada Department of Taxation.

All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Treasurer is authorized to transfer budgeted amounts within functions (General Fund) or funds, if the City Council is notified at the next regular meeting, and the action is noted in the official minutes. Revisions which affect the total fund appropriations, or transfers between funds, are accomplished through formal City Council approval. No supplemental appropriations were approved for the year. Nevada Law requires budgetary control to be exercised at the function level.

Restrictions and Commitments for Other Purposes

The City has a number of special revenue funds established to account for revenues which are designated for specific purposes. Some of the designations are externally imposed (restricted for other purposes) and some have been self-imposed by the City Council (committed for other purposes).

These restricted and committed amounts are reported in the combining schedules included in the supplemental information. The name of each fund indicates the purpose for which the funds have been designated.

**NOTE 5 CASH AND INVESTMENTS**

A reconciliation of cash deposits and investments to the government-wide statement of net position as follows:

<b>Cash on hand and on deposit:</b>	
Petty cash	\$ 550
Cash on deposit	1,396,861
Money market investments	<u>16,596,548</u>
<b>Total cash and investments</b>	<u><u>\$ 17,993,959</u></u>

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 CASH AND INVESTMENTS (Continued)**

Cash and investments are included in the accompanying statement of net position as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 4,036,366	\$ 6,841,754	\$ 10,878,120
Restricted cash and cash equivalents	1,040,365	6,075,474	7,115,839
<b>Total cash and investments</b>	<b><u>\$ 5,076,731</u></b>	<b><u>\$ 12,917,228</u></b>	<b><u>\$ 17,993,959</u></b>

Deposits

*Custodial Credit Risk.* For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned. The City does not have a formal policy for custodial credit risk. As of June 30, 2025, the City's bank balance of \$17,979,248 was covered in the amount of \$529,617 by federal depository insurance and the remainder was subject to collateralization by the office of the State Treasurer/Nevada Collateral Pool.

Investments

The provisions of State Law (NRS 355.170) govern the investment of public funds as noted in Footnote 1.

As of June 30, 2025 the government had the following investments:

<b>Investments</b>	<b>Fair Value</b>	<b>Credit Rating</b>	<b>Weighted Avg. Maturity</b>
First National Bank of Ely, Market Interest Account	\$16,596,548	N/A	Demand

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The money market interest account is valued using significant other observable inputs (Level 2 inputs).

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

*Credit Risk.* State law limits investments to items noted in the summary of significant accounting policies, Footnote 1. The city has no investment policy that would further limit its investment choices at June 30, 2025. The investments in the First National Bank of Ely market interest accounts are covered by FDIC insurance and collateral held by a third-party agent but are unrated.

*Concentration of Credit Risk.* The City places no limit on the amount the City may invest in any one issue.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 CASH AND INVESTMENTS (Continued)**

Cash Restricted for Use

The City maintains restricted cash to comply with various legal and contractual requirements. Amounts restricted are as follows at June 30, 2025:

	<b>Amount</b>
Budget stabilization	\$ 145,732
Judicial	116,785
Debt reserves	187,501
Capital improvements	4,291,024
Landfill closure trust	1,596,949
Community development	<u>777,848</u>
<b>Total restricted cash and cash equivalents</b>	<b><u>\$ 7,115,839</u></b>

**NOTE 6 CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2025 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and easements	\$ 1,956,335	\$ -	\$ -	\$ 1,956,335
Construction in progress	<u>679,973</u>	<u>2,000</u>	<u>-</u>	<u>681,973</u>
Total capital assets not being depreciated	<u>2,636,308</u>	<u>2,000</u>	<u>-</u>	<u>2,638,308</u>
Capital assets, being depreciated:				
Streets	6,591,644	45,538	-	6,637,182
Flood control	1,016,736	-	-	1,016,736
Improvements other than buildings	893,770	23,250	-	917,020
Buildings	2,478,934	101,339	-	2,580,273
Vehicles and equipment	<u>4,737,088</u>	<u>542,336</u>	<u>(81,184)</u>	<u>5,198,240</u>
Total capital assets being depreciated	<u>15,718,172</u>	<u>712,463</u>	<u>(81,184)</u>	<u>16,349,451</u>
Less accumulated depreciation for:				
Streets	(5,810,112)	(103,942)	-	(5,914,054)
Flood control	(930,342)	(9,455)	-	(939,797)
Improvements other than buildings	(532,811)	(39,521)	-	(572,332)
Buildings	(1,277,976)	(68,300)	-	(1,346,276)
Vehicles and equipment	<u>(3,062,236)</u>	<u>(280,250)</u>	<u>74,184</u>	<u>(3,268,302)</u>
Total accumulated depreciation	<u>(11,613,477)</u>	<u>(501,468)</u>	<u>74,184</u>	<u>(12,040,761)</u>
Total capital assets, being depreciated, net	<u>4,104,695</u>	<u>210,995</u>	<u>(7,000)</u>	<u>4,308,690</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 6,741,003</u></b>	<b><u>\$ 212,995</u></b>	<b><u>\$ (7,000)</u></b>	<b><u>\$ 6,946,998</u></b>

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 CAPITAL ASSETS (Continued)**

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

**Governmental activities:**

General government	\$ 35,671
Judicial	1,190
Public safety	216,988
Public works	16,215
Health and sanitation	15,080
Culture and recreation	32,327
Streets and highways	<u>183,997</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 501,468</u></b>

Business-type capital asset activity for the year ended June 30, 2025 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and easements	\$ 140,478	\$ -	\$ -	\$ 140,478
Construction in progress	<u>2,661,198</u>	<u>345,582</u>	<u>(812,070)</u>	<u>2,194,710</u>
Total capital assets not being depreciated	<u>2,801,676</u>	<u>345,582</u>	<u>(812,070)</u>	<u>2,335,188</u>
Capital assets, being depreciated:				
Treatment facilities and improvements	27,310,440	1,332,753	-	28,643,193
Buildings	514,464	290,178	-	804,642
Machinery, equipment and vehicles	3,308,142	236,372	(143,087)	3,401,427
Georgetown Ranch	<u>50,014</u>	<u>-</u>	<u>-</u>	<u>50,014</u>
Total capital assets being depreciated	<u>31,183,060</u>	<u>1,859,303</u>	<u>(143,087)</u>	<u>32,899,276</u>
Less accumulated depreciation for:				
Treatment facilities and improvements	(15,646,873)	(610,033)	-	(16,256,906)
Buildings	(318,473)	(19,144)	-	(337,617)
Machinery, equipment and vehicles	(2,221,664)	(144,259)	140,995	(2,224,928)
Georgetown Ranch	<u>(8,214)</u>	<u>-</u>	<u>-</u>	<u>(8,214)</u>
Total accumulated depreciation	<u>(18,195,224)</u>	<u>(773,436)</u>	<u>140,995</u>	<u>(18,827,665)</u>
Total capital assets, being depreciated, net	<u>12,987,836</u>	<u>1,085,867</u>	<u>(2,092)</u>	<u>14,071,611</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 15,789,512</u></b>	<b><u>\$ 1,431,449</u></b>	<b><u>\$ (814,162)</u></b>	<b><u>\$ 16,406,799</u></b>

Depreciation expense was charged to the business-type functions/programs of the City as follows:

**Business-type activities:**

Water	\$ 338,398
Sanitation	314,055
Landfill	<u>120,983</u>
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 773,436</u></b>

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for the year ended June 30, 2025:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences ^ *	\$ 179,735	\$ 27,465	\$ -	\$ 207,200	\$ 93,618
Total governmental activities long term liabilities	<u>\$ 179,735</u>	<u>\$ 27,465</u>	<u>\$ -</u>	<u>\$ 207,200</u>	<u>\$ 93,618</u>
<b>Business-type Activities:</b>					
Bonds payable from direct placements:					
1996 Water revenue bond	\$ 585,141	\$ -	\$ (41,218)	\$ 543,923	\$ 43,325
2001 Sewer revenue bond	<u>1,238,915</u>	<u>-</u>	<u>(49,161)</u>	<u>1,189,754</u>	<u>50,828</u>
Total bonds payable	<u>1,824,056</u>	<u>-</u>	<u>(90,379)</u>	<u>1,733,677</u>	<u>94,153</u>
Compensated absences *	<u>62,349</u>	<u>40,041</u>	<u>-</u>	<u>102,390</u>	<u>66,196</u>
Total business-type activities long term liabilities	<u>\$ 1,886,405</u>	<u>\$ 40,041</u>	<u>\$ (90,379)</u>	<u>\$ 1,836,067</u>	<u>\$ 160,349</u>

<sup>^</sup> The beginning balance of the compensated absences liability for governmental activities was restated with the implementation of GASBS No. 101.

\* The change in compensated absences is presented as a net change.

**Business-type Activities**

Revenue Bonds Payable from Direct Placements

1996 Water Revenue Bond, original issue of \$1,189,800, principal and interest due in monthly installments beginning February 1996, with interest at 5.00%. The final payment is due January 2036. The bond was issued to refund the interim water revenue bonds, which were used to fund the Southside Water Project. The City has pledged income derived from the constructed assets to pay the debt service.

Revenue bond debt service requirements to maturity are as follows:

<b>1996 Water Revenue Bond</b>				
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2026	\$ 43,325	\$ 26,215	\$ 69,540	
2027	45,542	23,998	69,540	
2028	47,813	21,727	69,540	
2029	50,318	19,222	69,540	
2030	52,892	16,648	69,540	
2031-2035	<u>304,033</u>	<u>39,805</u>	<u>343,838</u>	
Total	<u>\$ 543,923</u>	<u>\$ 147,615</u>	<u>\$ 691,538</u>	

Series 2001 Sewer Revenue Bond, original issue of \$1,900,000, principal and interest due in monthly installments beginning October 2001, with interest at 4.75%. The final payment is due September 2041. The proceeds were used to refund interim sewer bonds, which were used to fund the Wastewater Treatment Project. The City has pledged income derived from the constructed assets to pay the debt services.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 7 LONG-TERM LIABILITIES (Continued)**

Revenue sewer bond debt service requirement to maturity are as follows:

<b>2001 Sewer Revenue Bond</b>			
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 50,828	\$ 55,420	\$ 106,248
2027	53,295	52,953	106,248
2028	55,745	50,503	106,248
2029	58,589	47,659	106,248
2030	61,433	44,815	106,248
2031-2035	354,786	176,454	531,240
2036-2040	449,707	81,533	531,240
2041-2042	105,371	2,783	108,154
<b>Total</b>	<b>\$ 1,189,754</b>	<b>\$ 512,120</b>	<b>\$ 1,701,874</b>

The City's outstanding bonds from direct placements are secured with pledged system revenues. The City's bond issues contain a provision that in an event of default, the systems and subsequent revenues would default to the State of Nevada. The City's debt issues do not have a terminating event clause or a subsequent acceleration clause.

**NOTE 8 LESSOR AGREEMENTS**

Grazing Lease

On April 5, 2024, the City, as a lessor, entered into a lease agreement with an individual, the lessee, to rent grazing land. The lease calls for an initial term of 5 years commencing April 5, 2024 to and including April 4, 2029. In accordance with the provisions of GASBS No. 87, the lease was measured as of April 5, 2024 with a lease term of 5 years and an interest rate of 3%, which is approximately the rate at which the City would be able to issue debt.

Rent of \$15,000 is payable annually on April 5 from 2024 until 2028, with annual increases of 1.5 percent each year of the lease. The City collected \$15,225 from the lessee for the year ended June 30, 2025, and recorded \$14,825 in lease revenue and \$1,774 in lease interest revenue.

Office Space Lease

On August 3, 2020, the City, as a lessor, entered into a lease agreement with the State of Nevada Department of Administration, Public Works Division, the lessee, to rent office space. The lease calls for an initial term of 5 years and 5 months commencing December 1, 2020 to and including April 30, 2026. In accordance with the provisions of GASBS No. 87, the lease was retroactively measured as of December 1, 2020 with a lease term of 5 years and 5 months and an interest rate of 3%, which is approximately the rate at which the City would be able to issue debt.

Rent is payable on the first day of each quarter beginning on December 1, 2020, with quarterly payments of \$9,600 until April 1, 2026. The City collected \$38,400 from the lessee for the year ended June 30, 2025, and recorded \$35,802 in lease revenue and \$1,545 in lease interest revenue.

## CITY OF ELY, NEVADA NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8 LESSOR AGREEMENTS (Continued)

#### Grazing Lease

On May 16, 2022, the City, as a lessor, entered into a lease agreement with an individual, the lessee, to rent grazing land. The lease calls for an initial term of 5 years commencing June 1, 2022 to and including May 31, 2027. In accordance with the provisions of GASBS No. 87, the lease was measured as of June 1, 2022 with a lease term of 5 years and an interest rate of 3%, which is approximately the rate at which the City would be able to issue debt.

Rent of \$1,200 is payable annually on June 1 from 2022 until 2026, with annual increases of 3 percent each year of the lease. The City collected \$1,311 from the lessee for the year ended June 30, 2025, and recorded \$1,200 in lease revenue and \$76 in lease interest revenue.

### NOTE 9 DEFINED BENEFIT PENSION PLAN

#### Plan description

The Public Employees' Retirement System of Nevada (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

#### Benefits provided

Benefits, as required by the Nevada Revised Statutes, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015.

Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the system after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

#### Vesting

Regular members entering the system prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with thirty years of service, or any age with thirty-three and one third years of service.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

Employer contributions

The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan, provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan, a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan and cannot withdraw these contributions.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450 based on the most recent actuarial valuation.

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

For the fiscal years ended June 30, 2025 and 2024 the Statutory Employer/employee matching rate was 17.50% for Regular and 25.75% for Police/Fire and the Employer-pay contribution (EPC) rate was 33.50% for Regular and 50.00% for Police/Fire.

The City's contributions for the current and two preceding fiscal years, all of which were equal to the required contributions, were as follows:

<b>Year ended June 30,</b>	<b>Regular Members</b>	<b>Police/Fire</b>	<b>Total Contributions</b>
2025	33.50%	50.00%	\$ 461,827
2024	33.50%	50.00%	395,411
2023	29.75%	44.00%	341,462

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)**

Investment policy

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

The following was the Board adopted policy target asset allocation as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
U.S. Stocks	34%	5.50%
International stocks	14%	5.50%
U.S. Bonds	28%	2.25%
Private markets	12%	6.65%
Short-term investments	12%	0.50%

\*As of June 30, 2024, PERS' long-term inflation assumption was 2.50%

**Pension liability**

Net pension liability

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2024. The City's proportion measured as of June 30, 2024, was 0.02763 percent, which was a decrease of 0.00186 percent from its proportion measured as of June 30, 2023.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the PERS as of June 30, 2024, calculated using the discount rate of 7.25%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net pension liability	\$ 8,027,993	\$ 4,992,978	\$ 2,487,559

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Annual Comprehensive Financial Report, available on the PERS website at [www.nvpers.org](http://www.nvpers.org).

Actuarial assumptions

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)**

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

**Post Retirement Mortality Rates**

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

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

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

The above-listed mortality tables only provide rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

The above listed mortality table only provides rates for ages 45 and older. To develop mortality rates for ages 35 through 45, we have smoothed the difference between the rates at age 35 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 45 from the Pub 2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables. To develop the mortality rates before age 35, we have used the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages.

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

The above listed mortality tables only provide rates for ages 50 and older. To develop mortality rates for ages 40 through 50, we have smoothed the difference between the rates at age 40 from the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables and the rates at age 50 from the Pub-2010 General Healthy Retiree Amount -Weighted Above-Median Mortality Tables. To develop the mortality rates before age 40, we have used the Pub-2010 General Employee Amount-Weighted Above- Median Mortality Tables rates. This methodology for developing an extended annuitant mortality table is similar to the method used by the IRS to develop the base mortality table for determining minimum funding standards for single-employer defined benefit pension plans under Internal Revenue Code Section 430. While Section 430 is not applicable to the System, we believe this is a reasonable method for developing annuitant mortality rates at earlier ages. For the mortality table applicable to contingent beneficiaries, "Approach 1" from the Society of Actuaries "Pub-2010 Public Retirement Plans Mortality Tables Report" was utilized. In particular, the mortality basis for contingent beneficiaries has been assumed to be the same mortality basis as the Healthy Regular retiree table listed above (except using rates applicable to the beneficiary's gender) for both when the primary retiree is alive and is no longer alive.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)**

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

**Pre-Retirement Mortality Rates**

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

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

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

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

**Discount rate**

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

**Pension expense and deferred outflows/inflows of resources related to pensions**

For the year ended June 30, 2025, the City recognized pension expense for PERS of \$64,089. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,059,243	\$ -
Changes in assumptions	322,178	-
Net difference between projected and actual earnings on pension plan investments	-	491,873
Changes in proportion and differences between contributions and proportionate share of contributions	408,178	317,369
Contributions subsequent to the measurement date	461,827	-
<b>Total</b>	<b>\$ 2,251,426</b>	<b>\$ 809,242</b>

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 DEFINED BENEFIT PENSION PLAN (Continued)**

The \$461,827 reported as deferred outflows of resources related to PERS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

<b>Year Ended June 30,</b>	<b>Deferred Outflows (Inflows) of Resources</b>	
2025	\$	143,709
2026		696,161
2027		52,033
2028		(771)
2029		89,225
Thereafter		-

**NOTE 10 CLOSURE AND POST-CLOSURE CARE COST**

State and Federal laws and regulations require the City to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized, based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The recognition of these landfill closure and post-closure care costs are based on a regulatory formula (NAC 444.6853). The estimated total current cost of the landfill closure and post-closure care (\$4,489,297) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2025, as adjusted for inflation. It is estimated that an additional \$3,215,662 will be recognized as closure and post-closure care expenses over the next 45 years, which is the time between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2070).

The estimated liability for landfill closure and post-closure care costs has a balance of \$1,273,635 as of June 30, 2025, which is based on 28.37% usage (filled) of the landfill. Expenses and liabilities are based on what it would cost to perform all closure and post closure care for the landfill in 2025, the actual cost of closure and post-closure care may be higher due to changes in technology or changes in landfill laws and regulations.

The City is required by State and Federal laws and regulations to provide assurance that it will be able to finance closure and post-closure care costs. The City has recognized the liability for closure and post-closure care and has set aside the required fund in a trust account held at the First National Bank of Ely. The balance in the trust account as of June 30, 2025, was \$1,596,949.

**NOTE 11 RISK MANAGEMENT**

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

## **CITY OF ELY, NEVADA** **NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 11 RISK MANAGEMENT (Continued)**

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

The City pays an annual premium and specific deductibles, as necessary, to NPAIP for its general insurance coverage, which includes its component unit. NPAIP is considered a self-sustaining risk pool that will provide coverage for its members up to \$200,000 per insured event for property and crime claims and \$500,000 for casualty claims. NPAIP obtains independent coverage for insured events in excess of these self-insured retentions.

The second pool is the Public Agency Compensation Trust (PACT), which was created April 1, 1997. This pool is a public entity risk pool which provides workers' compensation coverage.

The City pays an annual premium to PACT for its workers' compensation coverage. PACT is considered a self-sustaining risk pool that will provide coverage for its members up to \$350,000 (\$750,000 for public safety employees) per insured event. PACT obtains independent coverage for insured events in excess of the \$350,000/\$750,000 limit.

### **NOTE 12 RAIL LINE**

The rail line from the old Kennecott mine to Cobre Junction is now owned by the City and the Nevada Northern Railway Foundation. The City received deeds to the land comprising the right-of-way from the United States government acting through the Bureau of Land Management.

The rail line from the old Kennecott mine to mile marker 128 is used by the Nevada Northern Railway Foundation to operate a historic tourist train and museum. This portion of the rail line is recorded on the Foundation's books as the day-to-day control lies with the Foundation. The balance of the rail line is recorded on the City's records in governmental activities.

### **NOTE 13 CITY WATER FLOW MITIGATION**

The City experienced a decrease in the flow of its main water source when a nearby mine began dewatering efforts to increase the amount of available ore. The mine is mitigating the effects of the decreased water flow by rehabilitating the old City wells and drilling new wells. The mine has agreed to pay all costs of rehabilitation and to pay all additional pumping costs associated with the temporary substitution of subsurface water rights for the existing surface water rights.

The mine has further agreed to pay the additional costs for a period of up to 25 years after the dewatering has ceased and to create a fund to guarantee the payment of the additional costs. The fund is being administered as a trust with a banking institution mutually agreed to by both parties, with an appointed trustee. The trust funding goal is \$3,750,000, exclusive of accumulating interest, which was reached for complete funding in the year ending June 30, 2017, as was required by the agreement.

### **NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

In accordance with NRS, the City provides other postemployment benefits to eligible retirees through the Nevada Public Employees' Benefits Program (PEBP), a multiple-employer cost sharing plan, administered by a ten-member governing board appointed by the Governor, including an Executive Officer who directs the program and serves at the pleasure of the Board. The plan provides healthcare, dental, vision, and life insurance benefits.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

PEBP issues a publicly available financial report that includes financial statements and required supplemental information available at <https://pebp.state.nv.us/>.

**Benefits provided**

PEBP eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the City is obligated to provide postemployment benefits is limited to eligible employees who retired from City service prior to December 1, 2008. No future retirees are eligible for this benefit.

The City is required to provide a subsidy, based on years of service for a closed group of its retirees that have enrolled in PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. At June 30, 2025, employees covered by PEBP consisted of 14 former employees. There are no active City employees covered by or eligible for coverage under PEBP.

**Actuarial assumptions**

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date.....	June 30, 2023
Measurement date.....	June 30, 2024
Inflation.....	2.50%
Salary Increases.....	N/A - no active employee in this plan
Discount rate.....	3.93%
Discount rate source.....	Bond Buyer 20-Bond General Obligation Index
Actuarial cost method.....	Entry age normal cost, closed group, level percent of pay
Healthcare cost trend rates.....	4.50%

The basic mortality rates used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System, issued September 2021, except for a different basis used to project future mortality improvements.

Males:	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30%
Females:	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 15%

These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2022 on a generational basis from 2010 forward.

**Contributions**

City contributions to the Plan occur as benefits are paid to retirees. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees. Contributions to the Plan from the City were \$16,810 for the year ended June 30, 2025 (measurement date June 30, 2024).

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**OPEB liability**

Net OPEB liability

On June 30, 2025, the City reported a net OPEB liability of \$171,775 for PEBP. The net liability was measured as of June 30, 2024, determined by an actuarial valuation as of June 30, 2023. The city makes no contribution to an OPEB trust so the total liability is equal to net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. The total OPEB liability as of June 30, 2025 reflects a change in the use of discount rates of 3.65% as of the June 30, 2023 measurement date and 3.93% as of the June 30, 2024 measurement date. The mortality assumptions were also updated to reflect the rates in the NV PERS September 2021 experience study report. The projections are based on established patterns of practice.

OPEB liability discount rate sensitivity

The City's total OPEB liability at June 30, 2025, calculated using the discount rate of 3.93%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate was as follows:

	<b>1% Decrease (2.93%)</b>	<b>Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
Total OPEB liability - PEBP	\$ 184,260	\$ 171,775	\$ 160,712

OPEB liability healthcare cost trend rates sensitivity

The City's total OPEB liability at June 30, 2025, calculated using the healthcare trend rate of 4.50%, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower or 1.00% higher than the current healthcare trend rate was as follows:

	<b>Healthcare Trend Rate</b>		
	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
Total OPEB liability - PEBP	\$ 160,804	\$ 171,775	\$ 183,938

Changes in the total OPEB liability

Changes in the total OPEB liability for the year ended June 30, 2025 summarized below:

	<b>Total OPEB Liability</b>
Interest cost	\$ 6,454
Changes of assumptions*	(3,344)
Benefit payments	<u>(16,265)</u>
<b>Net change</b>	<b>(13,155)</b>
<b>Beginning balance</b>	<b>184,930</b>
<b>Ending balance</b>	<b>\$ 171,775</b>

\* Change in discount rate from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

**CITY OF ELY, NEVADA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 14 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**OPEB expense**

For the year ended June 30, 2025, the City recognized OPEB expense for PEBP of \$3,109.

**Deferred outflows/inflows of resources related to OPEB**

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions subsequent to the measurement date	\$ 16,810	\$ -

The amount (\$16,810) reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

**NOTE 15 INTERFUND TRANSACTIONS**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The City had the following transfers for the year ended June 30, 2025:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>Transfers In</b>		
Street Fund	\$ 485,000	\$ -
Capital Projects Fund	700,000	-
Water Fund	-	600,000
Sewer Fund	-	1,280,000
<b>Transfers Out</b>		
General Fund	<u>(3,065,000)</u>	<u>-</u>
<b>Net transfers</b>	<u><u>\$ (1,880,000)</u></u>	<u><u>\$ 1,880,000</u></u>

**NOTE 16 CONTINGENT LIABILITIES**

The City is a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. Management estimates the potential claims against the City resulting from such litigation not covered by insurance would not materially affect the financial position of the City.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes:				
Franchise tax	\$ 93,500	\$ 93,500	\$ 84,865	\$ (8,635)
Excise tax	9,800	9,800	3,135	(6,665)
Total taxes	103,300	103,300	88,000	(15,300)
Licenses and permits:				
Business licenses	180,000	180,000	191,336	11,336
Animal licenses	2,550	2,550	1,715	(835)
Building permits	85,000	85,000	60,705	(24,295)
Building - misc.	2,000	2,000	5,056	3,056
Excavation permits	2,000	2,000	770	(1,230)
Total licenses and permits	271,550	271,550	259,582	(11,968)
Intergovernmental revenue:				
Consolidated tax	2,784,500	2,784,500	2,497,723	(286,777)
Share of county gaming tax	52,000	52,000	39,960	(12,040)
City/County/Tribal co-op - first responder	9,363	9,363	21,363	12,000
City/County co-op - public safety	46,125	46,125	46,125	-
City/County co-op - planning	40,031	40,031	40,032	1
City/County co-op - fire services	210,000	210,000	210,000	-
Building department fuel charge	2,000	2,000	1,789	(211)
Grant - CCCHP	-	-	56,500	56,500
Grant - NDF Tree	-	80,000	80,000	-
Total intergovernmental revenue	3,144,019	3,224,019	2,993,492	(230,527)
Charges for services:				
Cemetery charges	30,000	30,000	20,004	(9,996)
Work cards	6,000	6,000	7,100	1,100
Fire ambulance service	450,000	450,000	534,065	84,065
Miscellaneous	7,000	7,000	13,832	6,832
Total charges for services	493,000	493,000	575,001	82,001
Fines and forfeitures:				
Court fines	55,000	55,000	48,611	(6,389)
Evidentiary fee	1,300	1,300	1,362	62
Public defender fee	500	500	85	(415)
Notice fees	250	250	290	40
Miscellaneous court fees	2,600	2,600	2,263	(337)
Total fines and forfeitures	59,650	59,650	52,611	(7,039)
Interest income	65,000	65,000	153,168	88,168
Miscellaneous:				
Rents and leases	52,000	52,000	55,997	3,997
Donations	-	-	-	-
Miscellaneous	1,000	1,000	7,254	6,254
45G Railroad Tax Credit	136,134	136,134	136,143	9
Total miscellaneous	189,134	189,134	199,394	10,260
<b>Total revenues</b>	<b>\$ 4,325,653</b>	<b>\$ 4,405,653</b>	<b>\$ 4,321,248</b>	<b>\$ (84,405)</b>

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND (Continued)**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
General government:				
Legislative:				
Mayor and council:				
Salaries and wages	\$ 12,300	\$ 12,375	\$ 12,375	\$ -
Employee benefits	7,211	8,371	8,628	257
Services, supplies and other	6,025	6,495	5,136	(1,359)
Total legislative	25,536	27,241	26,139	(1,102)
Administration:				
City clerk:				
Salaries and wages	55,727	55,727	56,609	882
Employee benefits	42,457	42,457	40,048	(2,409)
Services, supplies and other	31,970	31,970	28,896	(3,074)
Total administration	130,154	130,154	125,553	(4,601)
Election:				
Total election	7,500	7,500	7,500	-
Finance:				
City treasurer:				
Salaries and wages	32,728	32,728	32,652	(76)
Employee benefits	16,293	16,293	15,850	(443)
Services, supplies and other	133,225	59,484	51,402	(8,082)
Total finance	182,246	108,505	99,904	(8,601)
Non-departmental:				
Total non-departmental	250,000	250,000	-	(250,000)
Total general government	595,436	523,400	259,096	(264,304)
Judicial:				
City court:				
Salaries and wages	102,760	118,760	119,590	830
Employee benefits	57,504	57,504	51,431	(6,073)
Services, supplies and other	64,505	86,505	70,586	(15,919)
Total city court	224,769	262,769	241,607	(21,162)
City attorney:				
Salaries and wages	36,004	36,004	20,695	(15,309)
Employee benefits	16,648	16,648	8,666	(7,982)
Services, supplies and other	138,250	68,270	36,960	(31,310)
Total city attorney	190,902	120,922	66,321	(54,601)
Total judicial	415,671	383,691	307,928	(75,763)
Public safety:				
Law enforcement:				
City/County law enforcement contract	834,924	834,924	834,924	-
Fire department:				
Salaries and wages	871,185	871,185	757,090	(114,095)
Employee benefits	529,740	529,740	490,943	(38,797)
Services, supplies and other	273,597	273,597	251,114	(22,483)
Total fire department	1,674,522	1,674,522	1,499,147	(175,375)
Total public safety	\$ 2,509,446	\$ 2,509,446	\$ 2,334,071	\$ (175,375)

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND (Continued)**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures (Continued)</b>				
Public works:				
Engineering:				
Salaries and wages	\$ 8,765	\$ 8,765	\$ 7,920	\$ (845)
Employee benefits	4,248	4,248	2,945	(1,303)
Services, supplies and other	74,175	74,175	52,133	(22,042)
Total engineering	87,188	87,188	62,998	(24,190)
Building department:				
Salaries and wages	91,150	91,150	90,880	(270)
Employee benefits	55,773	55,773	54,837	(936)
Services, supplies and other	13,910	13,910	10,848	(3,062)
Total building department	160,833	160,833	156,565	(4,268)
Total public works	248,021	248,021	219,563	(28,458)
Health and sanitation:				
Animal control:				
Salaries and wages	77,993	87,293	85,831	(1,462)
Employee benefits	45,275	50,775	50,850	75
Services, supplies and other	14,360	14,360	9,278	(5,082)
Total animal control	137,628	152,428	145,959	(6,469)
Cemetery:				
Salaries and wages	115,796	115,796	95,425	(20,371)
Employee benefits	55,467	55,467	63,028	7,561
Services, supplies and other	17,660	17,660	12,585	(5,075)
Total cemetery	188,923	188,923	171,038	(17,885)
Total health and sanitation	326,551	341,351	316,997	(24,354)
Culture and recreation:				
Parks department:				
Salaries and wages	111,412	111,412	82,066	(29,346)
Employee benefits	54,485	54,485	59,063	4,578
Services, supplies and other	18,475	18,475	15,417	(3,058)
Total culture and recreation	184,372	184,372	156,546	(27,826)
Community support:				
Opioid Settlement	-	3,266	3,265	(1)
Donation - NNRF	-	59,980	59,980	-
Donation - GB Water Network	-	10,000	10,000	-
Grant - NDF Tree	-	80,000	80,000	-
Services, supplies and other	1,831,691	116,991	111,008	(5,983)
Total community support	1,831,691	270,237	264,253	(5,984)
<b>Total expenditures</b>	<b>6,111,188</b>	<b>4,460,518</b>	<b>3,858,454</b>	<b>(602,064)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,785,535)</b>	<b>(54,865)</b>	<b>462,794</b>	<b>517,659</b>
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	1,964	1,964
Transfers out	(1,335,000)	(3,065,000)	(3,065,000)	-
<b>Total other financing sources (uses)</b>	<b>\$ (1,335,000)</b>	<b>\$ (3,065,000)</b>	<b>\$ (3,063,036)</b>	<b>\$ 1,964</b>
<b>Net change in fund balance</b>			<b>(2,600,242)</b>	
<b>Fund balance, beginning of year</b>			<b>4,664,640</b>	
<b>Fund balance, end of year</b>			<b>\$ 2,064,398</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREETS SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental:				
Gas tax 2.35	\$ 123,928	\$ 123,928	\$ 123,927	\$ (1)
Gas tax 1 cent option	28,138	28,138	29,196	1,058
Motor vehicle, 1.75 gas tax	16,032	16,032	16,637	605
County contribution	22,540	22,540	22,540	-
Public transit fund	329,625	329,625	255,324	(74,301)
Regional transportation commission	<u>308,500</u>	<u>308,500</u>	<u>302,783</u>	<u>(5,717)</u>
Total intergovernmental	<u>828,763</u>	<u>828,763</u>	<u>750,407</u>	<u>(78,356)</u>
Other revenues:				
Miscellaneous	-	-	4,655	4,655
Grants and donations	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other revenues	<u>20,000</u>	<u>20,000</u>	<u>24,655</u>	<u>4,655</u>
<b>Total revenues</b>	<u>848,763</u>	<u>848,763</u>	<u>775,062</u>	<u>(73,701)</u>
<b>Expenditures</b>				
Highways and streets:				
Salaries and wages	203,275	203,275	206,213	2,938
Employee benefits	100,090	100,090	106,569	6,479
Service, supplies, and other	<u>1,199,423</u>	<u>1,199,423</u>	<u>1,076,397</u>	<u>(123,026)</u>
Total highways and streets	<u>1,502,788</u>	<u>1,502,788</u>	<u>1,389,179</u>	<u>(113,609)</u>
<b>Total expenditures</b>	<u>1,502,788</u>	<u>1,502,788</u>	<u>1,389,179</u>	<u>(113,609)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(654,025)</u>	<u>(654,025)</u>	<u>(614,117)</u>	<u>39,908</u>
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	1,550	1,550
Transfers in	<u>485,000</u>	<u>485,000</u>	<u>485,000</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>\$ 485,000</u>	<u>\$ 485,000</u>	<u>486,550</u>	<u>\$ 1,550</u>
<b>Net change in fund balance</b>			<u>(127,567)</u>	
<b>Fund balance, beginning of year</b>			<u>190,773</u>	
<b>Fund balance, end of year</b>			<u>\$ 63,206</u>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA**  
**June 30, 2025 – Last 10 Measurement Dates**

**Measurement Date: June 30,**

**Proportion of the net pension liability (asset)**

<b>2015</b>	0.028630%
<b>2016</b>	0.029773%
<b>2017</b>	0.027410%
<b>2018</b>	0.028560%
<b>2019</b>	0.021850%
<b>2020</b>	0.027020%
<b>2021</b>	0.025500%
<b>2022</b>	0.027890%
<b>2023</b>	0.029490%
<b>2024</b>	0.027630%

**Proportionate share of the net pension liability (asset)**

<b>2015</b>	\$ 3,281,185
<b>2016</b>	4,006,645
<b>2017</b>	3,645,398
<b>2018</b>	3,894,278
<b>2019</b>	2,979,213
<b>2020</b>	3,763,953
<b>2021</b>	2,325,748
<b>2022</b>	5,035,905
<b>2023</b>	5,382,208
<b>2024</b>	4,992,978

**Covered payroll**

<b>2015</b>	\$ 1,457,944
<b>2016</b>	1,555,932
<b>2017</b>	1,617,055
<b>2018</b>	1,727,881
<b>2019</b>	1,398,423
<b>2020</b>	1,734,858
<b>2021</b>	1,575,956
<b>2022</b>	1,822,342
<b>2023</b>	2,224,017
<b>2024</b>	2,371,847

**Proportionate share of the net pension liability (asset) as a percentage of its covered payroll**

<b>2015</b>	225.06%
<b>2016</b>	257.51%
<b>2017</b>	225.43%
<b>2018</b>	225.38%
<b>2019</b>	213.04%
<b>2020</b>	216.96%
<b>2021</b>	147.58%
<b>2022</b>	276.34%
<b>2023</b>	242.00%
<b>2024</b>	210.51%

**Plan fiduciary net position as a percentage of the total pension liability (asset)**

<b>2015</b>	75.10%
<b>2016</b>	72.20%
<b>2017</b>	72.23%
<b>2018</b>	75.24%
<b>2019</b>	76.46%
<b>2020</b>	77.04%
<b>2021</b>	86.51%
<b>2022</b>	75.12%
<b>2023</b>	76.16%
<b>2024</b>	78.11%

**CITY OF ELY, NEVADA**  
**SCHEDULE OF CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA**  
**June 30, 2025 – Last 10 Year Ends**

For the year ended June 30,

Actuarial Determined Contributions

<b>2016</b>	\$ 252,435
<b>2017</b>	246,365
<b>2018</b>	264,906
<b>2019</b>	210,325
<b>2020</b>	281,621
<b>2021</b>	266,412
<b>2022</b>	307,308
<b>2023</b>	341,462
<b>2024</b>	395,411
<b>2025</b>	461,827

Contributions in relation to the contractually required Contributions

<b>2016</b>	\$ 252,435
<b>2017</b>	246,365
<b>2018</b>	264,906
<b>2019</b>	210,325
<b>2020</b>	281,621
<b>2021</b>	266,412
<b>2022</b>	307,308
<b>2023</b>	341,462
<b>2024</b>	395,411
<b>2025</b>	461,827

Contribution deficiency (excess)

<b>2016</b>	\$ -
<b>2017</b>	-
<b>2018</b>	-
<b>2019</b>	-
<b>2020</b>	-
<b>2021</b>	-
<b>2022</b>	-
<b>2023</b>	-
<b>2024</b>	-
<b>2025</b>	-

Covered payroll

<b>2016</b>	\$ 1,555,932
<b>2017</b>	1,617,055
<b>2018</b>	1,727,881
<b>2019</b>	1,398,423
<b>2020</b>	1,734,858
<b>2021</b>	1,575,956
<b>2022</b>	1,822,342
<b>2023</b>	2,224,017
<b>2024</b>	2,371,847
<b>2025</b>	2,586,257

Contributions as a percentage of covered payroll

<b>2016</b>	16.22%
<b>2017</b>	15.24%
<b>2018</b>	15.33%
<b>2019</b>	15.04%
<b>2020</b>	16.23%
<b>2021</b>	16.90%
<b>2022</b>	16.86%
<b>2023</b>	15.35%
<b>2024</b>	16.67%
<b>2025</b>	17.86%

**CITY OF ELY, NEVADA**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM**  
**June 30, 2025**  
**Last 10 Year Ends\***

Total OPEB liability	2025	2024	2023	2022	2021	2020	2019	2018
Interest cost	\$ 6,454	\$ 7,949	\$ 5,751	\$ 6,297	\$ 9,139	\$ 9,413	\$ 9,181	\$ 8,217
Difference between actual and expected experience	-	(16,565)	-	(9,730)	-	(5,820)	-	-
Changes of assumptions	(3,344)	(22,533)	(30,140)	2,788	34,111	31,795	(8,091)	(18,114)
Benefit payments	(16,265)	(16,964)	(17,606)	(18,486)	(18,881)	(17,635)	(18,275)	(18,349)
<b>Net change in total OPEB liability</b>	<b>(13,155)</b>	<b>(48,113)</b>	<b>(41,995)</b>	<b>(19,131)</b>	<b>24,369</b>	<b>17,753</b>	<b>(17,185)</b>	<b>(28,246)</b>
<b>Total OPEB liability, beginning</b>	<b>184,930</b>	<b>233,043</b>	<b>275,038</b>	<b>294,169</b>	<b>269,800</b>	<b>252,047</b>	<b>269,232</b>	<b>297,478</b>
<b>Total OPEB liability, ending</b>	<b>\$ 171,775</b>	<b>\$ 184,930</b>	<b>\$ 233,043</b>	<b>\$ 275,038</b>	<b>\$ 294,169</b>	<b>\$ 269,800</b>	<b>\$ 252,047</b>	<b>\$ 269,232</b>
<b>Covered-employee payroll**</b>	<b>\$ -</b>							
<b>Total OPEB liability as a percentage of covered-employee payroll**</b>	<b>0.00%</b>							

\* The 10-year schedule will be built prospectively. The schedule above is only for the years listed.

\*\* The Public Employee Benefit Program is a closed plan with no current covered

**CITY OF ELY, NEVADA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1 EXPENDITURES IN EXCESS OF BUDGET**

The City had no departments in the General Fund and no other funds with expenditures in excess of budgeted amounts for the year ended June 30, 2025.

**NOTE 2 PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

There were no changes in the pension benefit plan terms or actuarial methods.

**NOTE 3 OTHER POST EMPLOYMENT BENEFITS**

Factors that affect trends

The total OPEB liability as of June 30, 2025 reflects a change in the use of discount rates of 3.65% as of the June 30, 2023 measurement date and 3.93% as of the June 30, 2024 measurement date.

Plan assets

There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits.

## **SUPPLEMENTARY INFORMATION**

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes:				
Ad valorem taxes	\$ 50,000	\$ 50,000	\$ 61,876	\$ 11,876
Net proceeds of mines	-	-	40,744	40,744
Room tax	360,000	360,000	375,705	15,705
Total taxes	410,000	410,000	478,325	68,325
Intergovernmental revenue:				
Consolidated tax	15,000	15,000	13,478	(1,522)
Grants	2,440,000	2,440,000	-	(2,438,478)
Total intergovernmental revenue	2,455,000	2,455,000	13,478	(2,440,000)
Interest income	2,700	2,700	58,224	55,524
Other revenues:				
Grants and donations	677,508	677,508	241,890	(435,618)
<b>Total revenues</b>	<b>3,545,208</b>	<b>3,545,208</b>	<b>791,917</b>	<b>(2,751,769)</b>
<b>Expenditures</b>				
Capital outlay	3,956,056	3,956,056	558,220	(3,397,836)
<b>Total expenditures</b>	<b>3,956,056</b>	<b>3,956,056</b>	<b>558,220</b>	<b>(3,397,836)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(410,848)</b>	<b>(410,848)</b>	<b>233,697</b>	<b>646,067</b>
<b>Other financing sources (uses)</b>				
Transfers in	250,000	250,000	700,000	450,000
<b>Total other financing sources (uses)</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>700,000</b>	<b>\$ 450,000</b>
<b>Net change in fund balance</b>			<b>933,697</b>	
<b>Fund balance, beginning of year</b>			<b>2,018,724</b>	
<b>Fund balance, end of year</b>			<b>\$ 2,952,421</b>	

**CITY OF ELY, NEVADA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

	Special Revenue Funds										Total Nonmajor Governmental	
	Beautification	Court Assessment	Court Collection Fee	Court Facility Fee Assessment	Fire Protection and Street Improvements	Ely City Redevelopment District	Revolving Loan	Victim Impact Panel				
<b>Assets</b>												
Cash and cash equivalents	\$ 310	\$ -	\$ -	\$ -	\$ 395,249	\$ -	\$ 96,154	\$ -	\$ -	\$ 491,713		
Accounts receivable	-	-	-	-	25,379	-	-	-	-	-	25,379	
Notes receivable	-	-	-	-	-	-	16,104	-	-	-	16,104	
Restricted assets:												
Cash and cash equivalents	-	19,246	36,262	54,381	-	777,848	-	6,896	-	-	894,633	
Due from other governments	-	-	-	-	-	1,921	-	-	-	-	1,921	
Notes receivable	-	-	-	-	-	3,157	-	-	-	-	3,157	
<b>Total assets</b>	<b>\$ 310</b>	<b>\$ 19,246</b>	<b>\$ 36,262</b>	<b>\$ 54,381</b>	<b>\$ 420,628</b>	<b>\$ 782,926</b>	<b>\$ 112,258</b>	<b>\$ 6,896</b>	<b>\$ -</b>	<b>\$ 1,432,907</b>		
<b>Liabilities</b>												
Accounts payable	\$ -	\$ 971	\$ -	\$ -	\$ 4,688	\$ 24,249	\$ -	\$ -	\$ -	\$ -	29,908	
Accrued liabilities	-	4,317	-	-	-	-	-	-	-	-	4,317	
<b>Total liabilities</b>	<b>-</b>	<b>5,288</b>	<b>-</b>	<b>-</b>	<b>4,688</b>	<b>24,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,225</b>	
<b>Fund balances</b>												
Restricted for:												
Other purposes	-	13,958	36,262	54,381	-	758,677	-	6,896	-	-	870,174	
Committed to:												
Capital outlay	-	-	-	-	415,940	-	-	-	-	-	415,940	
Other purposes	310	-	-	-	-	-	112,258	-	-	-	112,568	
<b>Total fund balances</b>	<b>310</b>	<b>13,958</b>	<b>36,262</b>	<b>54,381</b>	<b>415,940</b>	<b>758,677</b>	<b>112,258</b>	<b>6,896</b>	<b>\$ -</b>	<b>\$ 1,398,682</b>		
<b>Total liabilities and fund balances</b>	<b>\$ 310</b>	<b>\$ 19,246</b>	<b>\$ 36,262</b>	<b>\$ 54,381</b>	<b>\$ 420,628</b>	<b>\$ 782,926</b>	<b>\$ 112,258</b>	<b>\$ 6,896</b>	<b>\$ -</b>	<b>\$ 1,432,907</b>		

**CITY OF ELY, NEVADA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

<b>Special Revenue Funds</b>										
	<b>Beautification</b>	<b>Court Assessment</b>	<b>Court Collection Fee</b>	<b>Court Facility Fee Assessment</b>	<b>Fire Protection and Street Improvements</b>	<b>Ely City Redevelopment District</b>	<b>Revolving Loan</b>	<b>Victim Impact Panel</b>	<b>Total Nonmajor Governmental</b>	
<b>Revenues</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 126,465	\$ 157,961	\$ -	\$ -	\$ 284,426	
Charges for services	-	1,748	3,072	2,552	-	-	-	-	7,372	
Interest income	-	-	-	-	14,521	29,856	3,969	-	48,346	
<b>Total revenues</b>	<b>-</b>	<b>1,748</b>	<b>3,072</b>	<b>2,552</b>	<b>140,986</b>	<b>187,817</b>	<b>3,969</b>	<b>-</b>	<b>340,144</b>	
<b>Expenditures</b>										
Current:										
Judicial	-	873	3,954	6,247	-	-	-	-	11,074	
Public safety	-	-	-	-	27,278	-	-	-	27,278	
Community support and development	-	-	-	-	-	84,753	-	-	84,753	
Highways and streets	-	-	-	-	8,000	-	-	-	8,000	
<b>Total expenditures</b>	<b>-</b>	<b>873</b>	<b>3,954</b>	<b>6,247</b>	<b>35,278</b>	<b>84,753</b>	<b>-</b>	<b>-</b>	<b>131,105</b>	
<b>Net change in fund balances</b>	<b>-</b>	<b>875</b>	<b>(882)</b>	<b>(3,695)</b>	<b>105,708</b>	<b>103,064</b>	<b>3,969</b>	<b>-</b>	<b>209,039</b>	
<b>Fund balance, beginning of year</b>	<b>310</b>	<b>13,083</b>	<b>37,144</b>	<b>58,076</b>	<b>310,232</b>	<b>655,613</b>	<b>108,289</b>	<b>6,896</b>	<b>1,189,643</b>	
<b>Fund balance, end of year</b>	<b>\$ 310</b>	<b>\$ 13,958</b>	<b>\$ 36,262</b>	<b>\$ 54,381</b>	<b>\$ 415,940</b>	<b>\$ 758,677</b>	<b>\$ 112,258</b>	<b>\$ 6,896</b>	<b>\$ 1,398,682</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT ASSESSMENT SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services:				
Assessment fees	\$ 1,800	\$ 1,800	\$ 1,748	\$ (52)
<b>Total revenues</b>	<b>1,800</b>	<b>1,800</b>	<b>1,748</b>	<b>(52)</b>
<b>Expenditures</b>				
Judicial:				
Services, supplies, and other	13,000	13,000	873	(12,127)
<b>Total expenditures</b>	<b>\$ 13,000</b>	<b>\$ 13,000</b>	<b>873</b>	<b>\$ (12,127)</b>
<b>Net change in fund balance</b>			875	
<b>Fund balance, beginning of year</b>			13,083	
<b>Fund balance, end of year</b>			<b>\$ 13,958</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT COLLECTION FEE SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services:				
Assessment fees	\$ 1,700	\$ 1,700	\$ 3,072	\$ 1,372
<b>Total revenues</b>	<b>\$ 1,700</b>	<b>\$ 1,700</b>	<b>\$ 3,072</b>	<b>\$ 1,372</b>
<b>Expenditures</b>				
Judicial:				
Services, supplies, and other	37,000	37,000	3,954	(33,046)
<b>Total expenditures</b>	<b>\$ 37,000</b>	<b>\$ 37,000</b>	<b>\$ 3,954</b>	<b>\$ (33,046)</b>
<b>Net change in fund balance</b>				(882)
<b>Fund balance, beginning of year</b>			<b>37,144</b>	
<b>Fund balance, end of year</b>			<b>\$ 36,262</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COURT FACILITY FEE ASSESSMENT SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services:				
Assessment fees	\$ 2,700	\$ 2,700	\$ 2,552	\$ (148)
<b>Total revenues</b>	<b>2,700</b>	<b>2,700</b>	<b>2,552</b>	<b>(148)</b>
<b>Expenditures</b>				
Judicial:				
Services, supplies, and other	60,000	60,000	6,247	(53,753)
<b>Total expenditures</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>6,247</b>	<b>\$ (53,753)</b>
<b>Net change in fund balance</b>				(3,695)
<b>Fund balance, beginning of year</b>			<b>58,076</b>	
<b>Fund balance, end of year</b>			<b>\$ 54,381</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE PROTECTION/STREET IMPROVEMENT SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes:				
Franchise fees	\$ 130,000	\$ 130,000	\$ 126,465	\$ (3,535)
Interest income	130	130	14,521	14,391
<b>Total revenues</b>	<u>130,130</u>	<u>130,130</u>	<u>140,986</u>	<u>10,856</u>
<b>Expenditures</b>				
Public safety:				
Services, supplies, and other	27,278	27,278	27,278	-
Highways and streets:				
Services, supplies, and other	8,000	8,000	8,000	-
<b>Total expenditures</b>	<u>\$ 35,278</u>	<u>\$ 35,278</u>	<u>35,278</u>	<u>\$ -</u>
<b>Net change in fund balance</b>			105,708	
<b>Fund balance, beginning of year</b>			<u>310,232</u>	
<b>Fund balance, end of year</b>			<u>\$ 415,940</u>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ELY REDEVELOPMENT DISTRICT SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes:				
Ad valorem taxes	\$ 100,000	\$ 100,000	\$ 157,961	\$ 57,961
Interest income	130	130	29,856	29,726
<b>Total revenues</b>	<u>100,130</u>	<u>100,130</u>	<u>187,817</u>	<u>87,687</u>
<b>Expenditures</b>				
Community support and development:				
Services, supplies, and other	200,000	200,000	84,753	(115,247)
<b>Total expenditures</b>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>84,753</u>	<u>\$ (115,247)</u>
<b>Net change in fund balance</b>			103,064	
<b>Fund balance, beginning of year</b>			<u>655,613</u>	
<b>Fund balance, end of year</b>			<u>\$ 758,677</u>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**REVOLVING LOAN SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Interest income	\$ 524	\$ 524	\$ 3,969	\$ 3,445
<b>Total revenues</b>	<b>524</b>	<b>524</b>	<b>3,969</b>	<b>3,445</b>
<b>Expenditures</b>				
Community support and development:				
Services, supplies, and other	100,000	100,000	-	(100,000)
<b>Total expenditures</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>-</b>	<b>\$ (100,000)</b>
<b>Net change in fund balance</b>			3,969	
<b>Fund balance, beginning of year</b>			<b>108,289</b>	
<b>Fund balance, end of year</b>			<b>\$ 112,258</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**VICTIM IMPACT PANEL SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
Judicial:				
Services, supplies, and other	\$ 5,500	\$ 5,500	\$ -	\$ (5,500)
<b>Total expenditures</b>	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>-</u>	<u>\$ (5,500)</u>
<b>Net change in fund balance</b>				-
<b>Fund balance, beginning of year</b>			<u>6,896</u>	
<b>Fund balance, end of year</b>			<u>\$ 6,896</u>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**  
**WATER FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating revenues</b>				
Charges for services:				
Water sales	\$ 1,303,900	\$ 1,303,900	\$ 1,387,521	\$ 83,621
Connection fees	4,500	4,500	5,670	1,170
<b>Total operating revenues</b>	<b>1,308,400</b>	<b>1,308,400</b>	<b>1,393,191</b>	<b>84,791</b>
<b>Operating expenses</b>				
Salaries and wages	379,019	379,019	411,634	32,615
Employee benefits	210,697	210,697	226,126	15,429
Services, supplies, and other	4,197,483	4,197,483	426,558	(3,770,925)
Depreciation and amortization	320,000	320,000	338,398	18,398
<b>Total operating expenses</b>	<b>5,107,199</b>	<b>5,107,199</b>	<b>1,402,716</b>	<b>(3,704,483)</b>
<b>Nonoperating revenues (expenses)</b>				
Interest income	40,000	40,000	183,735	143,735
Rent income - Georgetown Ranch	15,583	15,583	19,769	4,186
Miscellaneous income	16,350	16,350	30,592	14,242
System obligation fee income	7,500	7,500	10,500	3,000
Grant - CDBG Bell Ave	274,350	274,350	241,539	(32,811)
Grant - CDBG Morely	282,082	282,082	12,994	(269,088)
NDOT engineering reimbursement	75,000	75,000	81,138	6,138
Quadra mining revenues	350,000	350,000	263,445	(86,555)
Gain on sale of assets	-	-	20,000	20,000
Interest expense	(28,356)	(28,356)	(28,322)	34
Quadra mining expense	(350,000)	(350,000)	(263,445)	86,555
<b>Total nonoperating revenues (expenses)</b>	<b>682,509</b>	<b>682,509</b>	<b>571,945</b>	<b>(110,564)</b>
<b>Net income before transfers</b>	<b>(3,116,290)</b>	<b>(3,116,290)</b>	<b>562,420</b>	<b>3,678,710</b>
<b>Transfers in</b>	<b>\$ -</b>	<b>\$ -</b>	<b>600,000</b>	<b>\$ 600,000</b>
<b>Change in net position</b>			<b>1,162,420</b>	
<b>Net position, beginning of year</b>			<b>11,434,270</b>	
<b>Net position, end of year</b>			<b>\$ 12,596,690</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**  
**SANITATION FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating revenues</b>				
Charges for services:				
Sewer fees	\$ 1,179,800	\$ 1,179,800	\$ 1,192,075	\$ 12,275
Testing revenues	12,000	12,000	12,210	210
<b>Total operating revenues</b>	<b>1,191,800</b>	<b>1,191,800</b>	<b>1,204,285</b>	<b>12,485</b>
<b>Operating expenses</b>				
Salaries and wages	332,164	332,164	313,105	(19,059)
Employee benefits	204,721	204,721	184,082	(20,639)
Services, supplies, and other	9,253,453	9,253,453	505,882	(8,747,571)
Depreciation and amortization	260,000	260,000	314,055	54,055
<b>Total operating expenses</b>	<b>10,050,338</b>	<b>10,050,338</b>	<b>1,317,124</b>	<b>(8,733,214)</b>
<b>Nonoperating revenues (expenses)</b>				
Interest income	30,000	30,000	144,852	114,852
Miscellaneous income	10,000	10,000	19,918	9,918
System obligation fee income	5,250	5,250	7,000	1,750
NDOT engineering reimbursement	70,000	70,000	49,433	(20,567)
Grant - CDBG	7,403,358	7,403,358	86,486	(7,316,872)
Gain on sale of assets	-	-	1,709	1,709
Interest expense	(57,826)	(57,826)	(57,087)	739
<b>Total nonoperating revenues (expenses)</b>	<b>7,460,782</b>	<b>7,460,782</b>	<b>252,311</b>	<b>(7,208,471)</b>
<b>Net income before transfers</b>	<b>(1,397,756)</b>	<b>(1,397,756)</b>	<b>139,472</b>	<b>1,537,228</b>
<b>Transfers in</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>1,280,000</b>	<b>\$ 680,000</b>
<b>Change in net position</b>			<b>1,419,472</b>	
<b>Net position, beginning of year</b>			<b>8,194,946</b>	
<b>Net position, end of year</b>			<b>\$ 9,614,418</b>	

**CITY OF ELY, NEVADA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**  
**LANDFILL FUND**  
**For the Year Ended June 30, 2025**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating revenues</b>				
Charges for services	\$ 1,140,500	\$ 1,140,500	\$ 1,149,966	\$ 9,466
Bad debt expense	(100,000)	(100,000)	(70,922)	29,078
<b>Total operating revenues</b>	<b>1,040,500</b>	<b>1,040,500</b>	<b>1,079,044</b>	<b>38,544</b>
<b>Operating expenses</b>				
Salaries and wages	494,869	494,869	500,663	5,794
Employee benefits	280,316	280,316	251,010	(29,306)
Services, supplies, and other	694,045	694,045	345,822	(348,223)
Landfill closure/post closure costs	174,000	174,000	85,538	(88,462)
Depreciation and amortization	98,000	98,000	120,983	22,983
<b>Total operating expenses</b>	<b>1,741,230</b>	<b>1,741,230</b>	<b>1,304,016</b>	<b>(437,214)</b>
<b>Nonoperating revenues (expenses)</b>				
Interest income	35,000	35,000	161,703	126,703
Miscellaneous income	107,000	107,000	73,292	(33,708)
Gain on sale of assets	-	-	25,250	25,250
<b>Total nonoperating revenues (expenses)</b>	<b>142,000</b>	<b>142,000</b>	<b>260,245</b>	<b>118,245</b>
<b>Change in net position</b>			<b>35,273</b>	
<b>Net position, beginning of year</b>			<b>3,042,101</b>	
<b>Net position, end of year</b>			<b>\$ 3,077,374</b>	

## **COMPLIANCE SECTION**



CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Kedington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ely, Nevada (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 28, 2025.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

### **Purpose of this Report**

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

*KYC, CPA*

Woods Cross, Utah  
November 28, 2025



**INDEPENDENT AUDITOR'S REPORT  
IN ACCORDANCE WITH THE PROVISIONS OF  
NEVADA REVISED STATUTES 354.624**

**CERTIFIED PUBLIC  
ACCOUNTANTS**

Gary K. Keddington, CPA  
Marcus K. Arbuckle, CPA  
Steven M. Rowley, CPA

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Ely, Nevada (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 28, 2025. As required by Nevada Revised Statutes (NRS) 354.624, we have performed certain procedures as required by the statute.

**Management's Responsibility**

Management is responsible for compliance with the statute referred to above and the requirements of laws, regulations, contracts, and grants applicable to its funds. Management is also responsible for the financial statements and schedules required by the statute referred to above.

**Auditor's Responsibility**

Our responsibility is to obtain representation from management regarding the use of its funds and to determine that certain schedules and information required by the statute referred to above are included in the financial statements.

**Audit Inclusions Required by Nevada Revised Statutes 354.624**

In accordance with NRS 354.624, the financial statement includes a schedule of all fees imposed by the local government, budgetary comparison schedules, and whether prior year findings have been resolved. We have applied certain limited procedures to the audit inclusions required by the statute referred to above, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Funds Established by the Local Government**

In accordance with NRS 354.624, we have obtained representation from the City's management in a representation letter addressed to us dated November 28, 2025, of the following:

For each enterprise fund, internal service fund, fiduciary fund, self-insurance fund, and all other funds as required by NRS 354.624, the City has indicated for each fund:

- (a) That the fund is being used in accordance with the provision of this chapter of the Nevada Revised Statutes,
- (b) That the fund is being administered in accordance with generally accepted accounting principles,
- (c) That the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund,
- (d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds,
- (e) The statutory and regulatory requirements applicable to the fund, and
- (f) The balance and retained earnings of the fund.

The representations are management's representations and, accordingly, we do not express an opinion or provide any assurance on the information provided by management.

**Noncompliance**

The results of our limited procedures disclosed no instances of noncompliance, which is required to be reported in accordance with NRS 354.624. Our audit does not constitute legal determination for the City's compliance or noncompliance with State requirements.

**Purpose of Report**

The purpose of this report is solely to describe the scope and procedures performed in accordance with NRS 354.624. Accordingly, this report is not suitable for any other purpose.

*KYC, CPA*

Woods Cross, Utah  
November 28, 2025

**CITY OF ELY, NEVADA**  
**SCHEDULE OF FEES IMPOSED SUBJECT TO THE PROVISION OF NEVADA**  
**REVISED STATUTES 354.5989: LIMITATION ON FEES FOR BUSINESS LICENSES**  
**For the Year Ended June 30, 2025**

Flat Fixed Fees:

Business license revenue adjusted base at June 30, 2024	\$ 256,890
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Adjustment to base:

1. Percentage decrease in population of the local government	-0.40%
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	<u>2.70%</u> <u>2.30%</u>
Increase in base	<u>5,897</u>
Adjusted base at June 30, 2025	<u>262,787</u>
Actual revenue	<u>166,235</u>
Amount over (under) allowable amount	<u>\$ (96,552)</u>