

**AGENDA**  
**CITY OF FALLON – CITY COUNCIL**  
**55 West Williams Avenue**  
**Fallon, Nevada**  
**January 28, 2022 – 9:00 a.m.**

The Honorable City Council will meet in a special meeting on January 28, 2022 at 9:00 a.m. in the City Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Items on the agenda may be taken out of order. The Council may combine two or more agenda items for consideration. The Council may remove an item from the agenda or delay discussion relating to an item on the agenda at any time. Unless otherwise allowed by the City Council, public comments by an individual will be limited to three minutes.

1. Pledge of Allegiance to the Flag.
2. Certification of Compliance with Posting Requirements.
3. Public Comments: General in nature, not relative to any agenda items.  
No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda as an item upon which action will be taken. **(For discussion only)**
4. Consideration and possible approval of the City of Fallon’s Annual Comprehensive Financial Report for the year ended June 30, 2021. **(For Possible Action)**
5. Introduction of Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto. **(This agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended.)**
6. Set public hearing date for Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto.
7. Introduction of Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto.

**(This agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended.)**

8. Set public hearing date for Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto.

9. Public Comments **(For discussion only)**

10. Council and Staff Reports **(For discussion only)**

11. Executive Session (closed):

Discuss Litigation Matters **(For discussion only)** (NRS 241 et.seq.)  
Negotiations with Operating Engineers Local Union No. 3 **(For discussion only)**  
Negotiations with Fallon Peace Officers Association **(For discussion only)**

This agenda has been posted on or before 9:00 a.m. on January 25, 2022 at City Hall, District Court Building, Churchill County Office Complex, Churchill County Public Library and posted to the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>). Members of the public may request the supporting material for this meeting by contacting Elsie M. Lee, Deputy City Clerk, City Clerk's Office, City Hall, 55 West Williams Avenue, Fallon, Nevada, (775) 423-5104. The supporting material for this meeting is also available to the public on the City's website (<https://fallonnevada.gov>) and the State of Nevada public notice website (<https://notice.nv.gov/>).

  
Elsie M. Lee

**NOTICE TO PERSONS WITH DISABILITIES:** Reasonable effort will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Please call the City Clerk's Office at 423-5104 in advance so that arrangements may be conveniently made.

January 28, 2022

## Agenda Item 4

Consideration and possible approval of the City of Fallon's Annual Comprehensive Financial Report for the year ended June 30, 2021. **(For Possible Action)**

FALLON

Incorporated 1908

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 4

DATE SUBMITTED: January 24, 2022

AGENDA DATE REQUESTED: January 28, 2022

TO: The Honorable City Council

FROM: Sean Richardson, City Clerk/Treasurer

SUBJECT TITLE: Consideration and possible approval of the City of Fallon's Annual Comprehensive Financial Report for the year ended June 30, 2021. (For Possible Action)

TYPE OF ACTION REQUESTED: (Check One)

- |  |  |
|--|--|
| <input type="checkbox"/> Resolution                      | <input type="checkbox"/> Ordinance                   |
| <input checked="" type="checkbox"/> Formal Action/Motion | <input type="checkbox"/> Other – Review & Discussion |

RECOMMENDED COUNCIL ACTION: Motion to approve the City of Fallon's Annual Comprehensive Financial Report for the year ended June 30, 2021.

DISCUSSION: Pursuant to NRS 354.624, the City shall provide an annual audit of its financial statements. The City engaged Eide Bailly LLP to perform the annual audit. Mary Cain, Senior Audit Manager, will present the audit report to the City Council. If approved, the Annual Comprehensive Financial Report for the year ended June 30, 2021 will be forwarded to the Nevada Department of Taxation as required.

PREPARED BY: Sean Richardson, City Clerk/Treasurer

FISCAL IMPACT: N/A

FUNDING SOURCE: N/A

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2021  
**City of Fallon, Nevada**

Prepared by City Clerk-Treasurer's Office  
Sean Richardson, City Clerk-Treasurer  
City of Fallon, Nevada  
55 West Williams Avenue  
Fallon, Nevada 89406

**Introductory Section**

City Clerk/Treasurer’s Letter of Transmittal ..... 1  
 GFOA Certificate of Achievement for Excellence in Financial Reporting..... 5  
 Principal Officials of the City of Fallon, Nevada ..... 6  
 Organizational Chart ..... 7

**Financial Section**

Independent Auditor's Report ..... 8  
 Management’s Discussion and Analysis ..... 11  
**Basic Financial Statements**  
 Government-Wide Financial Statements  
     Statement of Net Position..... 22  
     Statement of Activities..... 24  
 Fund Financial Statements  
     Balance Sheet – Governmental Funds ..... 25  
     Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position ..... 26  
     Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 27  
     Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities ..... 28  
     Statement of Net Position – Proprietary Funds ..... 29  
     Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds ..... 31  
     Statement of Cash Flows – Proprietary Funds ..... 32  
 Notes to Financial Statements ..... 34

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – General Fund..... 69  
 Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 73  
 Notes to Required Supplementary Information ..... 74  
 Schedule of Changes in the City’s Total OPEB Liability and Related Ratios – City of Fallon Employee Health Benefit Plan (COFEHBP) ..... 75  
 Schedule of Changes in the City’s Total OPEB Liability and Related Ratios –State of Nevada Public Employee’s Benefit Plan (PEBP) ..... 76  
 Schedule of the City’s Share of the Net Pension Liability ..... 77  
 Schedule of City Contributions ..... 78

**Supplementary Information**

Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) Combining Balance Sheet ..... 79  
 Combining Balance Sheet – Nonmajor Governmental Funds ..... 80  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds..... 81

## Nonmajor Governmental Funds

### Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual

Convention and Tourism Authority Fund.....	82
Airport Fund.....	83
Debt Service Fund.....	84
Land Reserve and Park Acquisitions and Development Capital Projects Fund.....	85
Special Ad Valorem Capital Projects Fund.....	86

## Nonmajor Proprietary Funds

Combining Statement of Net Position – Nonmajor Proprietary Funds.....	87
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds ...	89
Combining Statement of Cash Flows – Nonmajor Proprietary Funds.....	90

## Major Proprietary Funds

### Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual

Electric Enterprise Fund.....	92
Water Enterprise Fund.....	93
Sewer Enterprise Fund.....	94
Water Treatment Enterprise Fund.....	95
Sanitation Enterprise Fund.....	96

## Nonmajor Proprietary Funds

### Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual

Landfill Enterprise Fund.....	97
Water Treatment Replacement Enterprise Fund.....	98
Combining Statement of Net Position – Internal Service Funds.....	99
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	100
Combining Statement of Cash Flows – Internal Service Funds.....	101
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual	
Data Processing Internal Service Fund.....	102
Public Works Internal Service Fund.....	103

## Internally Reported Governmental Funds

### Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual

Parking Lot Fund.....	104
Secured Freight Yard Fund.....	105
Drug Forfeiture Fund.....	106
Unemployment Compensation Fund.....	107
Convention Center Fund.....	108
Compensated Absences Fund.....	109
Fire Truck Reserve Fund.....	110
Mayor's Youth Fund.....	111
Mayor's Century Fund.....	112
Martin Vusich Self-Sustaining Centennial Fund.....	113

### Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989 – Limitations of Fees for

Business Licenses.....	114
------------------------	-----

## Statistical Section (Unaudited)

Schedule No. 1 – Net Position by Component.....	116
Schedule No. 2 – Change in Net Position.....	117
Schedule No. 3 – Fund Balances, Governmental Funds.....	119

Schedule No. 4 – Changes in Fund Balances, Governmental Funds .....	120
Schedule No. 5 – Assessed and Estimated Actual Value of Taxable Property.....	121
Schedule No. 6 – Property Tax Rates – Direct and Overlapping Governments.....	122
Schedule No. 7 – Principal Property Owners .....	123
Schedule No. 8 – Electric User Fees.....	124
Schedule No. 9 – Principal Electric Users.....	125
Schedule No. 10 – Ratio of Outstanding Debt by Type.....	126
Schedule No. 11 – Ratio of General Bonded Debt Outstanding .....	128
Schedule No. 12 – Computation of General Obligation Direct and Overlapping Debt.....	129
Schedule No. 13 – Computation of Legal Debt Margin .....	130
Schedule No. 14 – Demographic Statistics.....	131
Schedule No. 15 – Major Employers.....	132
Schedule No. 16 – Full-Time Equivalent City of Fallon, Nevada Employees by Function/Program.....	133
Schedule No. 17 – Operating Indicators by Function/Program .....	134
Schedule No. 18 – Capital Assets Statistics by Function/Program .....	135

**Compliance Section**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	136
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance .....	138
Auditor’s Comments .....	140
Schedule of Expenditures and Federal Awards .....	142
Notes to Schedule of Expenditures and Federal Awards.....	143
Schedule of Findings and Questioned Costs.....	144



December 17, 2020

To the Honorable Ken Tedford, Mayor  
Members of the City Council  
Citizens of the City of Fallon, Nevada

The Annual Comprehensive Financial Report for the City of Fallon for the fiscal year ended June 30, 2021 is hereby submitted in accordance with Nevada Revised Statutes 354.624. State law requires that local governments provide an annual audit of its financial statements by independent certified public accountants in accordance with generally accepted auditing standards.

This report consists of management's representations concerning the finances of the City of Fallon. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Fallon has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Fallon's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Fallon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Fallon's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Fallon for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City of Fallon's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Fallon included a federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The single audit conforms with the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits (Uniform Guidance). These standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction. The City of Fallon's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**



The City of Fallon is the county seat for Churchill County located in the western portion of northern Nevada. The City of Fallon was incorporated in 1908 and is the only incorporated City within the County. The City now has a population exceeding 9,000 residents and occupies a land area of 3.8 square miles. The City's center is at the intersection of US Highway 50 and US Highway 95.

The City of Fallon operates under a strong Mayoral form of government. The Mayor is elected at-large in the City, serving as the Chief Executive Officer responsible for the day-to-day operations and oversight of the City government, City personnel and the City's enterprises. The Mayor is not a member of the City Council and does not vote on matters brought before the City Council. The Mayor presides over City Council meetings in order to preserve order and decorum. The Mayor is also responsible for the appointment of all executive officers, with such appointments subject to confirmation by the City Council. The City has three City Councilmembers elected for staggered terms of four years. One Councilmember represents each of the three wards dividing the City limits. The City Council acts as the legislative body of the City.

The City of Fallon maintains budgetary controls to ensure compliance with legal provisions as part of the annual budget, as augmented, that was approved by the City Council and the State of Nevada's Department of Taxation. Every April, the City submits a tentative budget for the fiscal year to the City Council, the Nevada Department of Taxation, and residents of Fallon. The City receives notification from the Department of Taxation as to whether the tentative budget complies with all applicable laws and regulations. The City holds public hearings every May to allow the public an opportunity to participate in the budget process. The City Council adopts a final budget prior to June 1<sup>st</sup>, which is submitted to the State for final approval.

Activities of the general fund, special revenue funds, debt service fund, capital project funds, enterprise funds, and internal service funds are included in the annual budget. All revisions to the adopted budget are a matter a public record by actions of the City Council taken at properly noticed and agendized public meetings. The City is authorized to transfer budgeted amounts within functions of the fund if the City Council is notified at the next regular meeting and the action is noted in the official minutes. Augmentations which increase appropriations or transfers are accomplished through a formal City Council approval in a public hearing. Budget transfers and augmentations were approved this fiscal year to reflect the necessary changes in spending and corresponding additional resources available.

The City of Fallon provides a full range of municipal services including police law enforcement, fire protection, animal control, street repair and maintenance, building and planning, municipal court services, emergency management, convention center, various parks and recreational activities, various special events, tourism and economic development, municipal airport, and various general administrative services. In addition to the governmental type services, the City provides a variety of utility services in our enterprise funds which include electric, water, water treatment, sewer, sanitation with the City's transfer station, and landfill.

## Local Economic Conditions and Outlook

Agriculture in all aspects remains a vital part of the local economy in Fallon. All of the farms and ranches in the high desert contributed to the nickname of “The Oasis of Nevada” as depicted in the City’s logo.

Another economic impact is due to Fallon being home of Naval Air Station Fallon. With around 1,000 active military and employing numerous other civilian support staff, NAS Fallon is a major employer for the community. The TOPGUN training program was transferred to Fallon in 1996 providing NAS Fallon a more important role as a major training center for the United State Navy. Due to being an important training ground, thousands of active military and civilians spend time in Fallon each year providing a huge economic impact to the community.



Steady population and a low unemployment rate (3.9%) continue to allow the City’s economy to be stable. The City continues to see growth in terms of assessed value and taxable sales to support general governmental services. The City’s property tax rate remains unchanged and it is unlikely to change unless the Nevada legislature makes changes to the existing statutory cap limits. As such, increases in property tax revenues can only be attained by increases in assessed value. The total City assessed value increased by \$877,655 or 0.4% from the previous fiscal year. Property tax collections increased by \$53,380 or 3.4% from the previous fiscal year. Consolidated tax revenues (CTAX) are comprised of sales tax of taxable sales and excise taxes which are calculated and distributed pursuant to State law. CTAX has been increasing for several years with this fiscal year showing a significant increase of \$335,610 or 16.4% from the previous fiscal year. All City utility enterprises remain very steady and stable.

The introduction of the Covid-19 pandemic in March 2020 has affected the entire world, our community and the City. Currently, the pandemic is still ongoing as new variants emerge. The City continues to work with the State, County and other organizations to provide the necessary services and resources for our citizens. Even in the midst of a pandemic, the economic outlook of the City has remained greater than anticipated.

## Long-Term Financial Planning

The City will continue to utilize its financial forecasting model to assist with budget and capital planning. Management will continue to work with consultants for forecasting and planning needs for all of the City’s street and infrastructure and municipal utility enterprises.

## Relevant Financial Policies

**Ending Fund Balance Reserves** – In compliance with State law, the City’s policy requires the General Fund to have a budgeted, unreserved fund balance of at least 4% of prior year expenditures. The City is in compliance with this requirement as the FY21/22 budget includes a budgeted ending fund balance of 7.8% as submitted and approved by the State.

**OPEB Funding** – The City’s choice to fund only pay-as-you-go costs rather than the full annual other post-employment benefit (OPEB) costs resulted in continued growth in the City’s net liability. The actuarial accrued liability, as well as an increasing OPEB liability each year, is presented in the government-wide financial statements and proprietary fund statements.

Capital Improvement Plan – The City maintains a five-year Capital Improvement Plan which serves as a planning document to assess and prioritize the capital needs of the City. The plan is updated annually and presented to the Churchill County Debt Commission.

### **Awards**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fallon, Nevada for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twentieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire City, especially the staff of the Clerk/Treasurer's Office. We would like to express our appreciation to the dedicated professional staff of Eide Bailly LLP for their expert support and guidance throughout the year, and during the audit process, which is essential to making this report possible.

Finally, I would like to give a special thanks to Mayor Tedford, the City Council, and all of the City's appointed officials for their support and leadership regarding the fiscal matters of the City of Fallon. Respectfully submitted,



Sean C. Richardson, CPA  
City Clerk/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Fallon  
Nevada**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

PRINCIPAL OFFICIALS  
OF THE CITY OF FALLON, NEVADA  
2020-2021

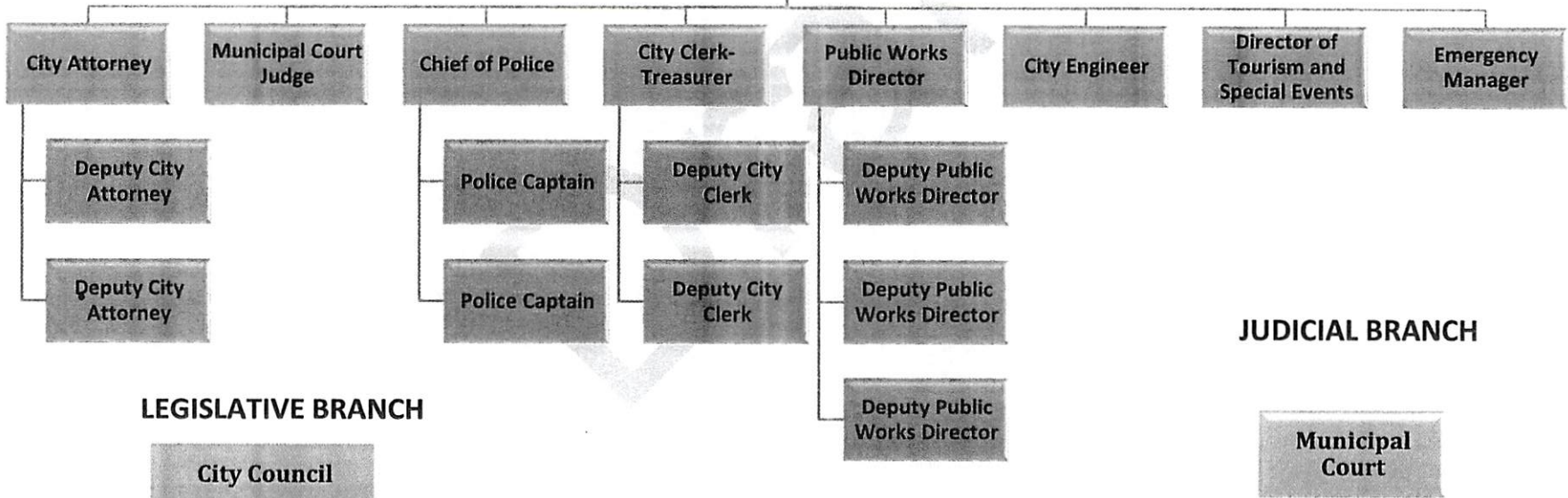
<u>Office</u>	<u>Name</u>	<u>Term of Office</u>	<u>Term Expires</u>
Mayor	Ken Tedford	Four Years	January 2025
Council Member Ward 1	Kelly Frost	Four Years	January 2023
Council Member Ward 2	Karla Kent	Four Years	January 2025
Council Member Ward 3	James Richardson	Four Years	January 2023
City Attorney	Michael Mackedon	Two Years	January 2022
Deputy Assistant City Attorney	Leonard Mackedon	Two Years	January 2022
Deputy Assistant City Attorney	Trent deBraga	Two Years	January 2022
Chief of Staff	Robert Erickson	Two Years	January 2022
Municipal Court Judge	Michael Lister	Two Years	January 2022
City Clerk-Treasurer	Sean Richardson	Two Years	January 2022
Deputy City Clerk-Treasurer	Elsie Lee	Two Years	January 2022
Deputy City Clerk-Treasurer	Michael O'Neill	Two Years	January 2022
Public Works Director	Brian Byrd	Two Years	January 2022
Deputy Public Works Director	Ryan Swirczek	Two Years	January 2022
Deputy Public Works Director	Adrian Noriega	Two Years	January 2022
Deputy Public Works Director	Kevin Gulley	Two Years	January 2022
City Engineer	Derek Zimney	Two Years	January 2022
Chief of Police	Kris Alexander	Two Years	January 2022
Police Captain	Ron Wenger	Two Years	January 2022
Police Captain	John Frandsen	Two Years	January 2022
Emergency Manager	Steven Endacott	Two Years	January 2022
Director of Tourism and Special Events	Jane Moon	Two Years	January 2022

# City of Fallon Organizational Chart

## EXECUTIVE BRANCH

Mayor and Chief Executive Officer

Chief of Staff



## LEGISLATIVE BRANCH

City Council

Convention & Tourism Authority

Fire Board

## JUDICIAL BRANCH

Municipal Court

## Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Fallon, Nevada  
Fallon, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fallon, Nevada, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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



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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fallon, Nevada, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 21, the budgetary comparison and reconciliation information for the General Fund on pages 68 through 72, notes to the required supplementary information-budgetary reporting on page 73, the schedule of changes in the City's total OPEB liability and related ratios – City of Fallon Employee Health Benefit Plan (COFEHBP) on page 74, the schedule of changes in the City's total OPEB liability and related ratios – State of Nevada Public Employee's Benefit Plan (PEBP) on page 75, the schedule of the City's share of the net pension liability on page 76, and the schedule of the City's contributions on page 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules including budgetary comparisons, statistical section, the schedule of fees imposed subject to the provisions of NRS 354.5989 – limitation of fees for business licenses are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

The combining and individual nonmajor fund statements and schedules including budgetary comparisons, the schedule of fees imposed subject to the provisions of NRS 354.5989 – limitation of fees for business licenses, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules including budgetary comparisons, the schedule of fees imposed subject to the provisions of NRS 354.5989 – limitation of fees for business licenses, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE PENDING, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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.

Elko, Nevada  
DATE PENDING

## **CITY OF FALLON**

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

### **FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The management of the City of Fallon (the City) offers readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to read this information in conjunction with the transmittal letter and financial statements to enhance the understanding of the financial information presented.

#### **Financial Highlights**

- The financial statements are prepared in conformance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*, which presents the City of Fallon's financial information on a government-wide basis enhancing analysis, short and long-term, and accountability for the use of total resources.
- The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.
- Government-wide net position equals \$62,019,426. Governmental activities contributed \$22,579,549 or 36% of the total net position while the business-type activities contributed \$39,439,877 or 64% of the total net position.
- The assets and deferred outflows of resources of the City of Fallon (government-wide) exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$62,019,426 (net position), an increase of 5.4 % from the prior year net position. The net position is primarily represented by the City's net investment in capital assets.
- Total fund balance for the General Fund totaled \$1,698,624 or 12.1% of the total General Fund expenditures.

#### **Financial Overview**

This discussion and analysis is intended to serve as an introduction to the City of Fallon's basic financial statements. The basic financial statements comprise three components: government-wide financial statements, fund financial statements and notes to the financial statements. Additionally, supplemental information to the financial statements is contained in this report.

#### **Government-wide Financial Statements**

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

The *Statement of Net Position* presents information on all assets, liabilities, and deferred inflows/outflows of resources of the City. The difference between the total assets, total liabilities, and deferred inflow/outflows of resources is reported as “net position”. Over time, increases and decreases in net position may serve as an indicator of improvement or decline in the City’s financial position.

The *Statement of Activities* presents the changes which have occurred in the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both financial statements provided on the government-wide basis distinguish between functions that are governmental activities versus those that are business-type activities. Governmental activities are typically supported by taxes and intergovernmental revenues, whereas business-type activities are those that rely on revenues through user fees or other charges that are generated by those who use or benefit from the service being provided. City of Fallon governmental activities include general government, public safety, judicial, public works, culture and recreation, and community support. Business-type activities of the City include all the utility services - electric, water, sewer, sanitation, landfill, and water treatment.

### **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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City’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 near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City of Fallon maintains 16 separate funds that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance for the General Fund because it qualifies as a major fund under the GASB 34 definition. Information for the remaining funds, which meet the definition of non-major funds, is aggregated for reporting purposes.

The City adopts an annual budget for all its funds, governmental and proprietary funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

### ***Proprietary Funds***

The City maintains enterprise and internal service proprietary fund types. Enterprise funds are used to account for functions presented in the business-type section of the government-wide financial statements. Enterprise funds of the City consist of electric, water, sewer, sanitation, landfill, water treatment, and water treatment replacement funds. The internal service funds are used to account for and allocate internal costs to the various City functions. The City uses internal service funds to account for its public works department activities and data processing systems.

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 all the City's enterprise operations. Conversely, both internal service funds are combined into an aggregated presentation in the proprietary fund financial statements. The proprietary funds which qualify as a major fund this fiscal year include Electric, Water, Sewer, Sanitation and Water Treatment enterprise funds.

### **Notes to the Financial Statements**

Notes to the basic financial statements are included to provide information that is crucial to the full and complete understating of the data provided in the government-wide and fund financial statements.

### **Other information**

Combining and individual fund statements and schedules and statistical information are presented immediately following the notes to the basic financial statement section of the report.

### **Financial Statement Analysis**

#### **Governmental-wide Financial Analysis**

Values reported as net position can provide an indication of a government's financial position. A comparison of assets, deferred outflows of resources, liabilities and deferred inflows of resources for the government-wide financial statements reflect a net position of \$62,019,426 as of June 30, 2021. When compared to the prior fiscal year, the City's net position increased \$3,185,837 or 5.4%. The increase was primarily due to Cares Act grant revenue and revenue from our local Regional Transportation Commission for road and utilities infrastructure improvements.

The largest portion of the City's net position reflects its investment in capital assets (e.g. land, building, machinery, equipment, infrastructure, utility systems). The investment value of \$67,485,206 is reported net of any related debt still outstanding which was used to acquire those assets. Capital assets are used by the City of Fallon to provide services to citizens and customers, and thus are not available for future spending, and cannot be liquidated to pay off related debt.

The following table is provided to enhance analysis.

### The City of Fallon's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY21	FY20	FY21	FY20	FY21	FY20
Current and Other Assets	\$ 5,278,588	\$ 2,745,383	\$ 16,435,406	\$ 15,783,773	\$ 21,713,994	\$ 18,529,156
Capital Assets, Net	31,881,644	22,297,090	47,008,660	53,305,457	78,890,304	75,602,547
Total assets	37,160,232	25,042,473	63,444,066	69,089,230	100,604,298	94,131,703
Deferred Outflows of Resources	2,353,572	2,443,255	1,041,225	1,048,137	3,394,797	3,491,392
Total assets and deferred outflows of resources	39,513,804	27,485,728	64,485,291	70,137,367	103,999,095	97,623,095
Current Liabilities	2,603,782	970,924	4,789,171	3,941,291	7,392,953	4,912,215
Noncurrent liabilities	13,688,049	12,640,553	19,997,242	19,945,790	33,685,291	32,586,343
Total liabilities	16,291,831	13,611,477	24,786,413	23,887,081	41,078,244	37,498,558
Deferred Inflows of Resources	642,424	920,311	259,001	370,637	901,425	1,290,948
Total liabilities and deferred inflows of resources	16,934,255	14,531,788	25,045,414	24,257,718	41,979,669	38,789,506
Net Position						
Net investment in capital as	31,163,713	22,180,925	36,321,493	42,929,305	67,485,206	65,110,230
Restricted	289,077	196,706	685,378	643,606	974,455	840,312
Unrestricted	(8,873,241)	(9,423,691)	2,433,006	2,306,738	(6,440,235)	(7,116,953)
Total Net Position	\$ 22,579,549	\$ 12,953,940	\$ 39,439,877	\$ 45,879,649	\$ 62,019,426	\$ 58,833,589

The governmental and business-type activities for fiscal year 2020-2021 are presented in the City's Changes in Net Position schedule. As indicated in the schedule, government activities increased the City's net position by \$9,625,609 and business-type activities decreased the City's net position by \$6,439,772. The City has a negative unrestricted net position value of \$8,873,241 in its governmental activities due to the City's pension liability. The significant increase and decrease in net position for the governmental activities and business-type activities, respectively, can be attributed to the Pennington Youth Center asset transfer in the amount of \$7,433,080.

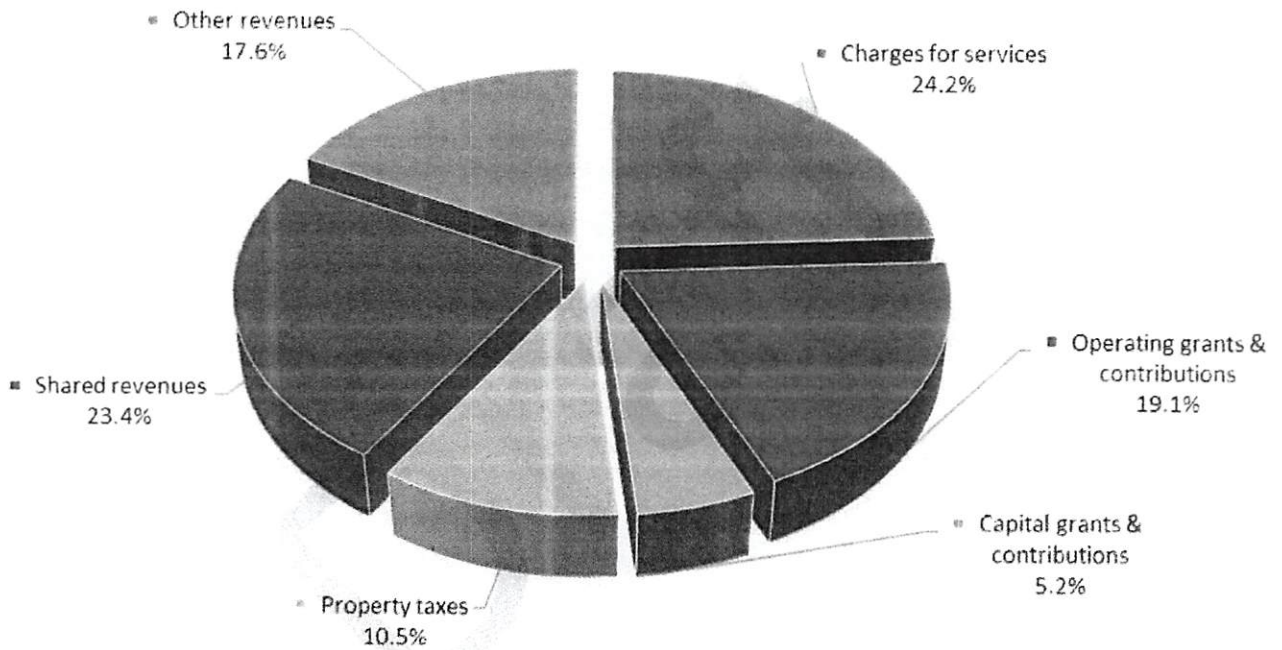
### City of Fallon's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY21	FY20	FY21	FY20	FY21	FY20
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3,705,907	\$ 2,881,347	\$ 20,830,353	\$ 19,748,755	\$ 24,536,260	\$ 22,630,102
Operating grants and contributions	2,933,890	245,080	299,640	6,946	3,233,530	252,026
Capital grants and contributions	794,200	738,431	996,455	7,007,528	1,790,655	7,745,959
<b>General revenues</b>						
Property taxes	1,613,756	1,553,934	-	-	1,613,756	1,553,934
Shared revenues	3,595,307	3,121,222	-	-	3,595,307	3,121,222
Other revenues	2,698,227	2,824,999	31,610	230,323	2,729,837	3,055,322
Transfers	7,433,080	-	(7,433,080)	-	-	-
<b>Total revenues</b>	<b>22,774,367</b>	<b>11,365,013</b>	<b>14,724,978</b>	<b>26,993,552</b>	<b>37,499,345</b>	<b>38,358,565</b>
<b>Expenses</b>						
General government	2,452,247	2,157,829	-	-	2,452,247	2,157,829
Judicial	1,045,921	1,019,477	-	-	1,045,921	1,019,477
Public Safety	5,983,856	5,847,604	-	-	5,983,856	5,847,604
Public Works	1,023,028	903,708	-	-	1,023,028	903,708
Culture and Recreation	1,065,268	1,008,468	-	-	1,065,268	1,008,468
Community Support	1,578,438	747,655	-	-	1,578,438	747,655
Electric	-	-	11,578,355	11,014,169	11,578,355	11,014,169
Water	-	-	2,046,330	2,017,614	2,046,330	2,017,614
Sewer	-	-	2,353,040	2,274,086	2,353,040	2,274,086
Sanitation	-	-	2,014,502	2,115,784	2,014,502	2,115,784
Landfill	-	-	1,866,584	2,048,355	1,866,584	2,048,355
Water Treatment	-	-	1,305,939	768,906	1,305,939	768,906
<b>Total expenses</b>	<b>13,148,758</b>	<b>11,684,741</b>	<b>21,164,750</b>	<b>20,238,914</b>	<b>34,313,508</b>	<b>31,923,655</b>
<b>Change in Net Position</b>	<b>9,625,609</b>	<b>(319,728)</b>	<b>(6,439,772)</b>	<b>6,754,638</b>	<b>3,185,837</b>	<b>6,434,910</b>
<b>Net Position at July 1</b>	<b>12,953,940</b>	<b>13,273,668</b>	<b>45,879,649</b>	<b>39,125,011</b>	<b>58,833,589</b>	<b>52,398,679</b>
<b>Net Position at June 30</b>	<b>\$ 22,579,549</b>	<b>\$ 12,953,940</b>	<b>\$ 39,439,877</b>	<b>\$ 45,879,649</b>	<b>\$ 62,019,426</b>	<b>\$ 58,833,589</b>

### Governmental Activities – Revenues

	FY 2021 Revenues	FY 2020 Revenues	Increase (Decrease)	Percent Change
Governmental Activities				
Charges for services	\$ 3,705,907	\$ 2,881,347	\$ 824,560	29%
Operating grants and contributions	2,933,890	245,080	2,688,810	1097%
Capital grants and contributions	794,200	738,431	55,769	8%
Property taxes	1,613,756	1,553,934	59,822	4%
Shared revenues	3,595,307	3,121,222	474,085	15%
Other revenues	2,698,227	2,824,999	(126,772)	-4%
<b>Total</b>	<b>\$ 15,341,287</b>	<b>\$ 11,365,013</b>	<b>\$ 3,976,274</b>	<b>35%</b>

### Revenue by Sources - Governmental-type Activities



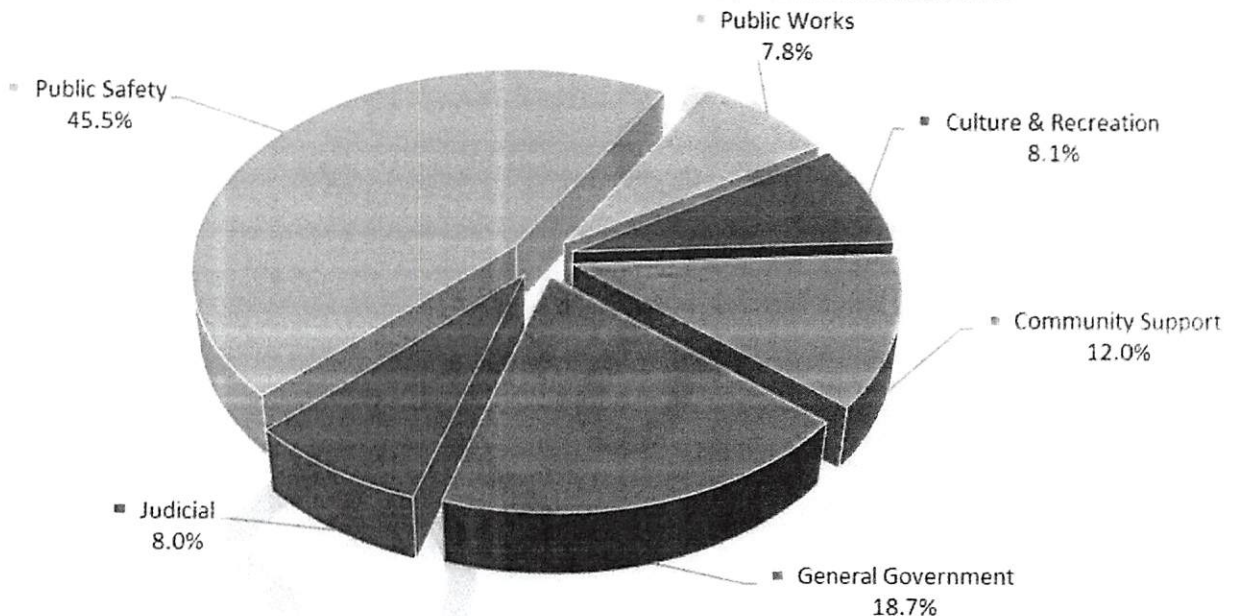
Total revenues for governmental activities had significant increases as revenues increased by \$3,976,274 or 35% when compared to the prior fiscal year. Charges for services had an increase of 24% primarily due to regional street reimbursements. The largest revenue source increase was in operating grants and contributions reflecting a \$2,688,810 or 1,097% increase. New grants for fiscal year 2021 included the Cares Act, CDBG for Front Street and NDOT Grant for Maine Street. Capital grants and contributions had a 8% increase due to the difference in grant funding for the City's municipal airport. Capital grants from the Federal Aviation Administration can vary year to year based on the size of the project and the availability of grant funding. Shared revenues increased \$474,085 or 15%. The largest source of the shared revenue category is consolidated taxes (CTX) which includes sales tax, excise taxes and motor vehicle tax. CTX increased \$33,610 or 16.4% from the previous fiscal year.



### Governmental Activities – Expenses

	FY 2021 Expenses	FY 2020 Expenses	Increase (Decrease)	Percent Change
Governmental Activities				
General Government	\$ 2,452,247	\$ 2,157,829	\$ 294,418	14%
Judicial	1,045,921	1,019,477	26,444	3%
Public Safety	5,983,856	5,847,604	136,252	2%
Public Works	1,023,028	903,708	119,320	13%
Culture and Recreation	1,065,268	1,008,468	56,800	6%
Community Support	1,578,438	747,655	830,783	111%
<b>Total</b>	<b>\$ 13,148,758</b>	<b>\$ 11,684,741</b>	<b>\$ 1,464,017</b>	<b>13%</b>

### Expenses by Sources - Governmental-type Activities



As noted above, total governmental activities expenses were \$13,148,758 in the current year compared to \$11,684,741 in the prior year which is a \$1,464,017 or 13% increase. The general government function includes the departments/offices of the City Council, Mayor, Clerk/Treasurer, Administration and City Hall. The general government expenses reflect an increase of 14% which includes annual merit and cost of living increases to salaries and wages, in addition to, being fully staffed in the current year. The judicial function includes the office of the City Attorney and the Municipal Court. The slight 3% increase in judicial expenses from the prior year is due to annual merit and cost of living adjustments to salary and wages. Public safety represents the largest portion of the expenses in governmental-type activities at 45.5% in the current fiscal year. Public safety is comprised of the police department, animal control, fire department and civil defense. The slight 2% increase is again due to the annual merit and cost of living adjustments to wages. The culture and recreation function includes all city parks, city gym, outdoor pool and other public facilities. The 6% increase can be contributed to the slow opening of City facilities as allowed by the Covid-19 pandemic. Strict mandates and protocols were set by the Nevada's Governor, Steve Sisolak, instituting Emergency Directives for local government's public facilities. As such many of our facilities were closed temporary and/or open with limited capacity in parts of the past two fiscal years. Community support function reflects an increase of \$830,783 or 111% as the City provided a donation to the County for the construction of an events center in our community. The public works function is

primarily responsible for the repairs, maintenance and construction of the City's sidewalks and streets. This function shows a 13% increase from the prior year due to a road maintenance contract to crack seal and slurry seal additional City streets in fiscal year 2021.

**Business-type Activities**

**Business Type Activities – Revenue**

	FY 2021 Charge for Service	FY 2020 Charge for Service	Increase (Decrease)	Percent Change
Business-Type Activities				
Electric	\$ 11,328,706	\$ 11,064,394	\$ 264,312	2%
Water	1,616,639	1,606,525	10,114	1%
Sewer	2,348,424	2,379,247	(30,823)	-1%
Water Treatment	1,711,032	1,685,367	25,665	2%
Sanitation	2,237,762	1,789,679	448,083	25%
Landfill	1,587,790	1,223,543	364,247	30%
Total	<u>\$ 20,830,353</u>	<u>\$ 19,748,755</u>	<u>\$ 1,081,598</u>	<u>5%</u>

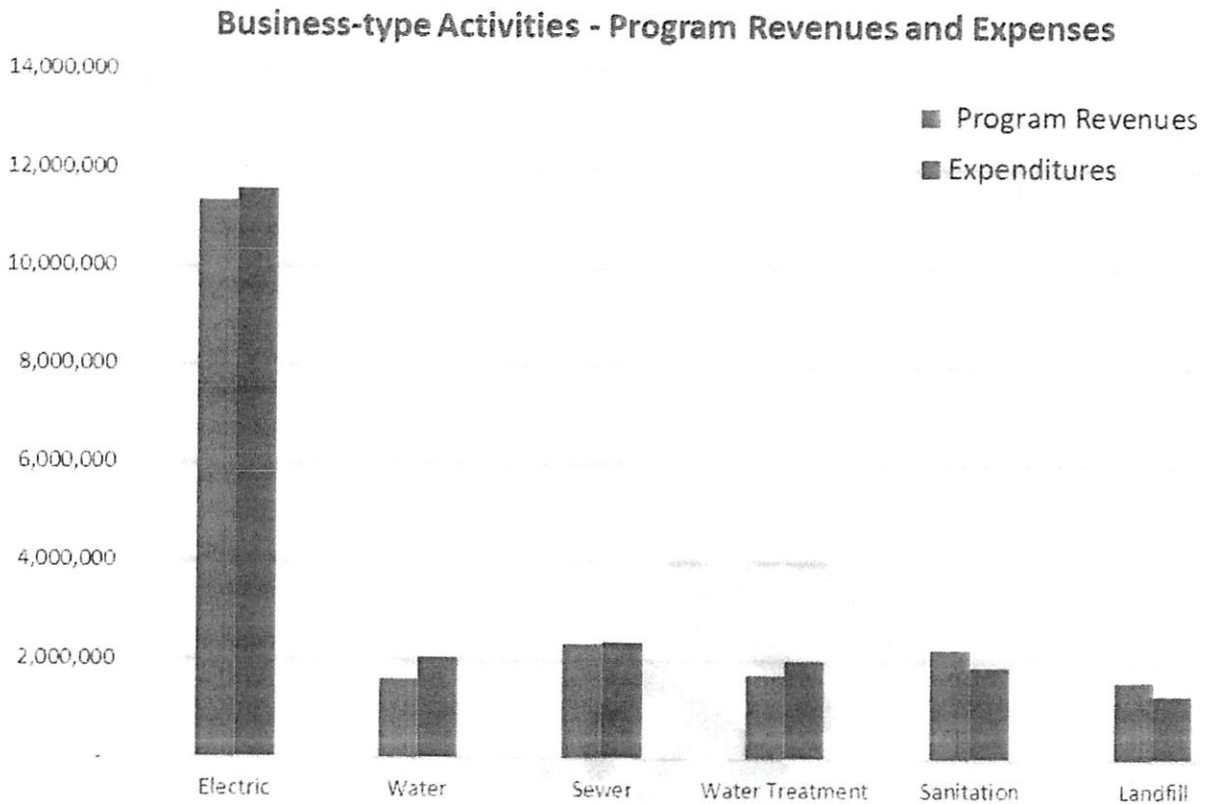
Overall, the total revenues for business-type activities experienced a \$1,081,598 or 5% increase from the prior year. Even without additional customers or rate changes, charge for service for the electric, water and water treatment utilities can vary year to year based on weather and conservation efforts. The sanitation revenues show a \$448,083 or 25% increase due to a rate change increase in fiscal year 2021. The landfill revenues show a \$364,247 or 30% increase as the usage and tonnage at the landfill was significantly up from the previous year.

**Business Type Activities – Expenses**

	FY 2021 Expenses	FY 2020 Expenses	Increase (Decrease)	Percent Change
Business-Type Activities				
Electric	\$ 11,578,355	\$ 11,014,169	\$ 564,186	5%
Water	2,046,330	2,017,614	28,716	1%
Sewer	2,353,040	2,274,086	78,954	3%
Water Treatment	2,014,502	2,115,784	(101,282)	-5%
Sanitation	1,866,584	2,048,355	(181,771)	-9%
Landfill	1,305,939	768,906	537,033	70%
Total	<u>\$ 21,164,750</u>	<u>\$ 20,238,914</u>	<u>\$ 925,836</u>	<u>5%</u>

Total expenses of business-type activities reflected a \$925,836 increase or 5%. The electric enterprise showed a 5% increase which is largely comprised of the electric purchase costs difference from the previous fiscal year. Sanitation enterprise reflects a 9% decrease due to less repairs and maintenance expenses in the current year. The landfill enterprise reports a 70% increase in expenses due to the change in the closure costs estimate. In previous fiscal year, the closure cost liability was reduced by \$375,000 and this current year the closure liability was increased \$165,000.

The following chart compares the revenues and expenses for the various utility enterprises:



### Financial Analysis of the Government's Funds

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

#### **Governmental Funds**

The focus of the City of Fallon's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Fallon's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a governments' net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Fallon's governmental funds reported combined ending fund balance of \$2,975,178 an increase of \$952,253 in comparison with the prior year.

The primary operating fund of the City of Fallon is the General Fund. For the fiscal year ended June 30, 2021, the fund balance in the General Fund was \$1,698,624 of which \$36,382 is non-spendable, \$47,829 restricted for private grants, \$263,235 committed, and \$802,914 assigned for subsequent year operations. The remaining fund balance \$548,264 was unassigned as of June 30, 2021. As a measure of the General Fund's liquidity, it is useful to compare the total unassigned fund balance to total fund expenditures. Unassigned fund balance represents 3.9% of total fund expenditures.

The General Fund balance increased by \$274,975 or 19.3% during the fiscal year. This is a result of the levels of revenue, expenditures and transfers. Revenues totaling \$13,700,193 reflects an increase of 39.2% from the prior year. Several factors attributed to the increase including CTX due to increased taxable sales, various new sources of grant funding and regional transportation reimbursements. General Fund expenditures of \$13,997,148 also showed an increase from the previous year at 41.1%. The majority of the expenditure increases can be attributed to capital asset projects, community support and covid mitigation as provided by the various grant funding. Additionally, another reason for expenditure increases are personnel costs – salaries/wages and employee benefits. Eligible employees received their merit increase and nearly all employees received a cost of living adjustment.

### ***Proprietary Funds***

The City of Fallon’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City Council has adopted a general policy statement of providing reliable and affordable utility services for its residents.

The net position of the business-type activities totals \$39,439,877 which is a decrease of \$6,439,772. The decrease is attributable to the transfer of the Fallon Youth Center building to the governmental activities once placed in service in the amount of \$7,433,080.

### **General Fund Budgetary Highlights**

The General Fund total revenues in the original budget were \$9,084,978 and augmented to \$13,628,432 for an increase of \$4,543,454. The actual revenues were \$13,637,629 which was \$9,197 more than the final budget. There was only a slight variance when comparing the difference between actual and the final budgeted revenues as a total.

The General Fund total expenditures original budget of \$9,440,930 was augmented \$4,437,954 for a total budget of \$13,878,884. Actual expenditures of \$13,570,435 came in under the final budget amount by \$308,449. The variances between actual and the final budgeted expenditures was mainly due to the police department and parks department coming in under the augmented final budget.

All budget augmentations were prepared in accordance with the provisions of Nevada Revised Statutes Chapter 354, the Local Government Budget and Finance Act.

### **Capital Assets Activity**

The City of Fallon’s investment in capital assets for its governmental and business-type activities as of June 30, 2021 was \$78,890,304 (net of accumulated depreciation).

The investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The following is a schedule comparing the balances from the previous year in the different categories:

**City of Fallon Assets  
(Net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land	\$ 815,947	\$ 815,947	\$ 2,287,657	\$ 2,287,657	\$ 3,103,604	\$ 3,103,604
Construction in progress	2,656,873	194,445	2,406,745	9,718,166	5,063,618	9,912,611
Buildings and improvements	10,989,867	3,891,183	956,377	1,026,112	11,946,244	4,917,295
Machinery and equipment	1,557,916	1,673,975	2,170,804	2,361,370	3,728,720	4,035,345
Infrastructure	15,861,041	15,721,540	39,187,077	37,912,152	55,048,118	53,633,692
<b>Total</b>	<b>\$ 31,881,644</b>	<b>\$ 22,297,090</b>	<b>\$ 47,008,660</b>	<b>\$ 53,305,457</b>	<b>\$ 78,890,304</b>	<b>\$ 75,602,547</b>

Significant additions in the current year for governmental activities include Construction in Progress (CIP) airport runway lights, (CIP) Maine Street streetscape, (CIP) Front Street reconstruction, airport pavement rehabilitation, Pennington youth center building transfer, police department vehicle, fire department equipment and (CIP) City Hall generator project.

Significant additions in the current year for business-type activities include (CIP) Front Street, (CIP) Maine Street, (CIP) New River Feeders, D Street electric improvements, Kaiser Street electric improvements, New River Substation, manhole rehabilitation, lift station improvements, water treatment equipment and public works vehicles.

See Note 5 for additional details.

**Long-term Debt Activity**

Notes payable, bonds payable, capital leases and other liabilities outstanding at June 30, 2021, totaled \$15,757,429 net of premiums. Debt for governmental activities reported a balance of \$1,105,431 which is 7% of total debt outstanding. Business-type activities debt totaled \$14,651,998 or 93% of total debt outstanding.

In August 2020, the City issued \$5,580,000 in Electric System Revenue Refunding Bonds. The issuance of this bond refunded the Electric System Revenue Bonds from 2017. Additionally in December 2020, the City issued a \$2,000,000 medium term general obligation bond. The issuance of this bond had various purposes including refinancing the Vac Truck loan, renovation of a public works building, construction of an airport FBO building and improvements to City Hall.

Additional information on the City of Fallon's outstanding long-term debt can be found in Note 6 to the financial statements.

**Other Economic Factors**

The Covid-19 pandemic is still ongoing as of the date of this audit completion. Our local business community continues to move forward and slowly improve as they navigate through this pandemic.

**Requests for Information**

This financial report is designed to provide a general overview of the financial activity and condition of the City of Fallon to all having an interest in the City of Fallon. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Fallon Clerk/Treasurer's Office, 55 West Williams Avenue, Fallon, Nevada 89406.

City of Fallon, Nevada  
Statement of Net Position  
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and investments	\$ 2,102,310	\$ 6,921,163	\$ 9,023,473
Due from other governments	1,214,807	-	1,214,807
Receivables, net of allowances for uncollectible accounts (where applicable)			
Taxes	13,718	-	13,718
Accounts	154,711	2,554,932	2,709,643
Assessments	4,800	-	4,800
Grants	1,730,259	208,025	1,938,284
Other	-	732,589	732,589
Internal balances	13,627	(13,627)	-
Prepaid expenses	36,382	-	36,382
Parts inventory	-	96,417	96,417
<b>Total current assets</b>	<u>5,270,614</u>	<u>10,499,499</u>	<u>15,770,113</u>
<b>Noncurrent assets</b>			
<b>Restricted assets</b>			
Cash and investments	7,974	4,786,507	4,794,481
Assets held for resale	-	1,099,400	1,099,400
Deposits held by others	-	50,000	50,000
<b>Capital assets</b>			
Land and construction in progress	3,472,820	4,694,402	8,167,222
Other capital assets, net of depreciation	28,408,824	42,314,258	70,723,082
<b>Total noncurrent assets</b>	<u>31,889,618</u>	<u>52,944,567</u>	<u>84,834,185</u>
<b>Total assets</b>	<u>37,160,232</u>	<u>63,444,066</u>	<u>100,604,298</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to other postemployment benefits	296,614	162,633	459,247
Deferred outflows related to pensions	2,056,958	809,888	2,866,846
Deferred charge on refunding	-	68,704	68,704
<b>Total deferred outflows of resources</b>	<u>2,353,572</u>	<u>1,041,225</u>	<u>3,394,797</u>

City of Fallon, Nevada  
Statement of Net Position  
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,938,658	\$ 2,912,485	\$ 4,851,143
Accrued payroll and related liabilities	342,310	155,030	497,340
Accrued interest payable	-	106,986	106,986
Unearned revenue	4,800	-	4,800
Customer deposits, payable from restricted cash	-	361,054	361,054
Due to other governments	7,389	-	7,389
Current portion of compensated absences	186,789	75,222	262,011
Current maturities of long-term debt	123,836	1,178,394	1,302,230
<b>Total current liabilities</b>	<b>2,603,782</b>	<b>4,789,171</b>	<b>7,392,953</b>
<b>Noncurrent liabilities</b>			
Other postemployment benefits liability	1,773,074	1,010,568	2,783,642
Net pension liability	11,120,169	4,368,293	15,488,462
Compensated absences, net of current portion	200,711	80,829	281,540
Estimated liability for landfill closure and post-closure care costs	-	1,220,000	1,220,000
Bonds, notes and leases payable, net of current portion	594,095	13,317,552	13,911,647
<b>Total noncurrent liabilities</b>	<b>13,688,049</b>	<b>19,997,242</b>	<b>33,685,291</b>
<b>Total liabilities</b>	<b>16,291,831</b>	<b>24,786,413</b>	<b>41,078,244</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	642,424	259,001	901,425
<b>Net Position</b>			
Net investment in capital assets	31,163,713	36,321,493	67,485,206
Restricted for			
Private grants	47,829	-	47,829
Capital projects	241,248	685,378	926,626
Unrestricted	(8,873,241)	2,433,006	(6,440,235)
<b>Total net position</b>	<b>\$ 22,579,549</b>	<b>\$ 39,439,877</b>	<b>\$ 62,019,426</b>

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government and administration	\$ (2,452,247)	\$ 3,573,299	\$ 2,901,948	\$ -
Judicial	(1,045,921)	103,284	-	-
Public safety	(5,976,815)	9,709	-	-
Public works	(1,023,028)	-	-	794,200
Culture and recreation	(1,065,268)	19,615	-	-
Community support	(1,578,438)	-	31,942	-
Interest on long-term debt	(7,041)	-	-	-
<b>Total government activities</b>	<b>(13,148,758)</b>	<b>3,705,907</b>	<b>2,933,890</b>	<b>794,200</b>
<b>Business-Type Activities</b>				
Electric	(11,578,355)	11,328,706	259,024	44,070
Water	(2,046,330)	1,616,639	25,555	790,185
Sewer	(2,353,040)	2,348,424	136	109,200
Water treatment	(2,014,502)	1,711,032	1,591	53,000
Sanitation	(1,866,584)	2,237,762	13,334	-
Landfill	(1,305,939)	1,587,790	-	-
<b>Total business-type activities</b>	<b>(21,164,750)</b>	<b>20,830,353</b>	<b>299,640</b>	<b>996,455</b>
<b>Total primary government</b>	<b>\$ (34,313,508)</b>	<b>\$ 24,536,260</b>	<b>\$ 3,233,530</b>	<b>\$ 1,790,655</b>
<b>General revenues</b>				
<b>Taxes</b>				
Ad valorem				
Occupancy				
Fuel				
Unrestricted intergovernmental - consolidated taxes				
Franchise taxes				
Enterprise funds in lieu of taxes				
Enterprise funds in lieu of franchise taxes				
Unrestricted gaming licenses				
Unrestricted investment earnings				
Miscellaneous				
Transfer of capital assets				
<b>Total general revenues</b>				
Change in Net Position				
Net Position, Beginning of Year				
Net Position, End of Year				

See Notes to Financial Statements



City of Fallon, Nevada  
Statement of Activities  
Year Ended June 30, 2021

Net (Expenses) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ 4,023,000	\$ -	\$ 4,023,000
(942,637)	-	(942,637)
(5,967,106)	-	(5,967,106)
(228,828)	-	(228,828)
(1,045,653)	-	(1,045,653)
(1,546,496)	-	(1,546,496)
(7,041)	-	(7,041)
<u>(5,714,761)</u>	<u>-</u>	<u>(5,714,761)</u>
-	53,445	53,445
-	386,049	386,049
-	104,720	104,720
-	(248,879)	(248,879)
-	384,512	384,512
-	281,851	281,851
<u>-</u>	<u>961,698</u>	<u>961,698</u>
<u>(5,714,761)</u>	<u>961,698</u>	<u>(4,753,063)</u>
1,613,756	-	1,613,756
693,698	-	693,698
163,234	-	163,234
2,738,375	-	2,738,375
256,793	-	256,793
1,099,701	-	1,099,701
997,886	-	997,886
209,001	-	209,001
2,700	31,610	34,310
132,146	-	132,146
<u>7,433,080</u>	<u>(7,433,080)</u>	<u>-</u>
<u>15,340,370</u>	<u>(7,401,470)</u>	<u>7,938,900</u>
<u>9,625,609</u>	<u>(6,439,772)</u>	<u>3,185,837</u>
<u>12,953,940</u>	<u>45,879,649</u>	<u>58,833,589</u>
<u>\$ 22,579,549</u>	<u>\$ 39,439,877</u>	<u>\$ 62,019,426</u>

City of Fallon, Nevada  
Balance Sheet – Governmental Funds  
June 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 1,029,580	\$ 1,072,730	\$ 2,102,310
Due from other governments	1,205,712	9,095	1,214,807
Due from other funds	13,627	-	13,627
Receivables, net of allowances for uncollectible accounts (where applicable)			
Taxes	13,718	-	13,718
Accounts	64,914	89,797	154,711
Assessments	-	4,800	4,800
Grant	1,576,691	153,568	1,730,259
Prepays expenses	36,382	-	36,382
Restricted assets			
Cash and investments	7,974	-	7,974
<b>Total assets</b>	<b>\$ 3,948,598</b>	<b>\$ 1,329,990</b>	<b>\$ 5,278,588</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,893,704	\$ 44,954	\$ 1,938,658
Accrued payroll and related liabilities	342,310	-	342,310
Due to other governments	3,707	3,682	7,389
Unearned revenue	-	4,800	4,800
<b>Total liabilities</b>	<b>2,239,721</b>	<b>53,436</b>	<b>2,293,157</b>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	10,253	-	10,253
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,249,974</b>	<b>53,436</b>	<b>2,303,410</b>
<b>Fund Balances</b>			
Nonspendable	36,382	-	36,382
Restricted			
Private grants	47,829	-	47,829
Capital projects	-	241,248	241,248
Committed	263,235	1,035,306	1,298,541
Assigned for subsequent year operations	802,914	-	802,914
Unassigned	548,264	-	548,264
<b>Total fund balances</b>	<b>1,698,624</b>	<b>1,276,554</b>	<b>2,975,178</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,948,598</b>	<b>\$ 1,329,990</b>	<b>\$ 5,278,588</b>

City of Fallon, Nevada  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2021

---

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

Total fund balance - governmental funds		\$ 2,975,178
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 55,727,718	
Accumulated depreciation	<u>(23,846,074)</u>	31,881,644
Property taxes receivable are not available to pay current period expenditures and, therefore, are deferred in the governmental funds balance sheet.		
		10,253
Certain liabilities are not reported in the governmental funds because they are not due and payable in the current period.		
Other postemployment benefits liability	(1,773,074)	
Net pension liability	(11,120,169)	
Compensated absences	(387,500)	
Note payable	<u>(717,931)</u>	(13,998,674)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources related to pensions	2,056,958	
Deferred inflows of resources related to pensions	(642,424)	
Deferred outflows of resources related to other postemployment benefits	<u>296,614</u>	<u>1,711,148</u>
Net position of governmental activities		<u>\$ 22,579,549</u>

City of Fallon, Nevada  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes			
Ad valorem	\$ 1,525,325	\$ 86,414	\$ 1,611,739
Other	1,714,102	693,697	2,407,799
Charges for services	2,125,099	31,717	2,156,816
Intergovernmental	6,536,918	823,909	7,360,827
Licenses and permits	1,690,390	-	1,690,390
Fines and forfeitures	76,524	-	76,524
Miscellaneous			
Investment income	2,700	-	2,700
Other	29,135	-	29,135
<b>Total revenues</b>	<b>13,700,193</b>	<b>1,635,737</b>	<b>15,335,930</b>
<b>Expenditures</b>			
Current			
General government and administration	3,123,914	-	3,123,914
Judicial	1,018,640	-	1,018,640
Public safety	5,671,106	-	5,671,106
Public works	420,724	52,336	473,060
Culture and recreation	939,439	-	939,439
Community support	405,309	134,760	540,069
Capital outlay			
General government and administration	39,150	-	39,150
Public safety	40,803	-	40,803
Public works	2,324,808	799,437	3,124,245
Community support	7,975	-	7,975
Debt service			
Principal retirement	4,485	60,149	64,634
Interest and fiscal charges	795	6,247	7,042
<b>Total expenditures</b>	<b>13,997,148</b>	<b>1,052,929</b>	<b>15,050,077</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,955)	582,808	285,853
<b>Other Financing Sources (Uses)</b>			
Transfers in	400,000	186,870	586,870
Transfers out	(186,870)	(400,000)	(586,870)
Proceeds from medium - term obligation	358,800	307,600	666,400
<b>Total other financing sources</b>	<b>571,930</b>	<b>94,470</b>	<b>666,400</b>
Net Change in Fund Balances	274,975	677,278	952,253
Fund Balances, Beginning of Year	1,423,649	599,276	2,022,925
Fund Balances, End of Year	<u>\$ 1,698,624</u>	<u>\$ 1,276,554</u>	<u>\$ 2,975,178</u>

City of Fallon, Nevada

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2021

---

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

Net change in fund balances - total governmental funds	\$	952,253
<p>Governmental funds report capital outlay as expenditures and the proceeds from the sale of assets as other financial sources. However, in the government-wide statement of activities and changes in net position, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold or disposed of.</p>		
Expenditures for capital assets	\$ 3,212,214	
Current year depreciation	(1,060,740)	
Capital contribution	<u>7,433,080</u>	
		9,584,554
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the government funds.</p>		
Change in unavailable revenues - property taxes		2,017
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense.</p>		
Pension contributions	870,007	
Pension expense	<u>(1,112,676)</u>	
		(242,669)
<p>The issuance of long-term debt (i.e. notes payable) provides current financial resources to governmental funds, while the resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Proceeds from medium - term obligation	(666,400)	
Principal payments made in current year	64,634	(601,766)
<p>The liability for other postemployment benefits is not recorded in the governmental funds, but it is reported in the statement of net position. This is the current year change in the liability, reported as an expense in the statement of activities.</p>		
Other postemployment benefits contributions	73,522	
Other postemployment benefits expense	<u>(150,840)</u>	
		(77,318)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Change in long-term compensated absences		<u>8,538</u>
Change in net position of governmental activities	\$	<u><u>9,625,609</u></u>

	Business-Type Activities - Enterprise Funds		
	Electric	Water	Sewer
<b>Assets</b>			
<b>Current assets</b>			
Cash and investments	\$ 2,948,301	\$ 452,224	\$ 1,178,365
Accounts receivable, net of allowance for doubtful accounts	1,402,174	206,388	273,907
Grant receivables	207,339	686	-
Other receivables	143,895	588,694	-
Due from other funds	500,000	32,771	-
Parts inventory	-	96,417	-
<b>Total current assets</b>	<b>5,201,709</b>	<b>1,377,180</b>	<b>1,452,272</b>
<b>Noncurrent Assets</b>			
<b>Restricted assets</b>			
Cash and investments			
Customer deposits	356,514	4,540	-
Bond payable	3,740,075	-	-
Capital projects	-	-	-
Assets held for resale	1,099,400	-	-
Deposits held by others	50,000	-	-
<b>Capital assets</b>			
Land and construction in progress	1,816,502	1,141,729	1,270,164
Other capital assets, net of depreciation	6,155,938	5,569,144	14,700,990
<b>Total noncurrent assets</b>	<b>13,218,429</b>	<b>6,715,413</b>	<b>15,971,154</b>
<b>Total assets</b>	<b>18,420,138</b>	<b>8,092,593</b>	<b>17,423,426</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to other postemployment benefits	36,644	27,819	9,777
Deferred outflows related to pensions	167,931	126,603	73,084
Deferred charge on refunding	68,704	-	-
<b>Total deferred outflows of resources</b>	<b>273,279</b>	<b>154,422</b>	<b>82,861</b>

See Notes to Financial Statements

City of Fallon, Nevada  
Statement of Net Position – Proprietary Funds  
June 30, 2021

Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Funds
Water Treatment	Sanitation	Nonmajor Enterprise Funds	Total	
\$ 861,437	\$ 291,364	\$ 1,067,553	\$ 6,799,244	\$ 121,919
218,221	235,442	218,800	2,554,932	-
-	-	-	208,025	-
-	-	-	732,589	-
200,000	-	-	732,771	-
-	-	-	96,417	-
<u>1,279,658</u>	<u>526,806</u>	<u>1,286,353</u>	<u>11,123,978</u>	<u>121,919</u>
-	-	-	361,054	-
-	-	-	3,740,075	-
-	-	685,378	685,378	-
-	-	-	1,099,400	-
-	-	-	50,000	-
72,854	154,980	196,252	4,652,481	41,921
<u>14,382,003</u>	<u>570,603</u>	<u>835,688</u>	<u>42,214,366</u>	<u>99,892</u>
<u>14,454,857</u>	<u>725,583</u>	<u>1,717,318</u>	<u>52,802,754</u>	<u>141,813</u>
<u>15,734,515</u>	<u>1,252,389</u>	<u>3,003,671</u>	<u>63,926,732</u>	<u>263,732</u>
14,096	20,721	10,898	119,955	42,678
80,644	105,170	50,464	603,896	205,992
-	-	-	68,704	-
<u>94,740</u>	<u>125,891</u>	<u>61,362</u>	<u>792,555</u>	<u>248,670</u>

	Business-Type Activities - Enterprise Funds		
	Electric	Water	Sewer
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 1,772,977	\$ 475,940	\$ 463,444
Accrued payroll and related liabilities	34,757	28,474	10,902
Accrued interest payable	14,668	13,878	75,273
Customer deposits, payable from restricted cash	356,514	4,540	-
Current portion of compensated absences	4,044	15,560	21,969
Current maturities of long-term debt	492,921	233,401	343,713
Due to other funds	-	500,000	-
<b>Total current liabilities</b>	<b>2,675,881</b>	<b>1,271,793</b>	<b>915,301</b>
<b>Noncurrent liabilities</b>			
Other postemployment benefits liability	261,764	154,189	72,797
Net pension liability	901,585	608,850	446,927
Compensated absences, net of current portion	4,345	16,719	23,607
Estimated liability for landfill closure and postclosure care costs	-	-	-
Bonds and leases payable, net of current portion	5,703,824	1,161,245	6,142,891
<b>Total noncurrent liabilities</b>	<b>6,871,518</b>	<b>1,941,003</b>	<b>6,686,222</b>
<b>Total liabilities</b>	<b>9,547,399</b>	<b>3,212,796</b>	<b>7,601,523</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	53,292	37,711	26,935
<b>Net Position</b>			
Net investment in capital assets	5,584,474	5,316,227	9,484,550
Restricted for capital projects	-	-	-
Unrestricted (deficit)	3,508,252	(319,719)	393,279
<b>Total net position (deficit)</b>	<b>\$ 9,092,726</b>	<b>\$ 4,996,508</b>	<b>\$ 9,877,829</b>

Amounts reported for business-type activities in the statement of net position are different because:

Net position (liabilities) of certain internal service funds are reported with business-type activities for the current year

Net position of business-type activities



City of Fallon, Nevada  
Statement of Net Position – Proprietary Funds  
June 30, 2021

Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Funds
Water Treatment	Sanitation	Nonmajor Enterprise Funds	Total	
\$ 40,090	\$ 103,393	\$ 38,076	\$ 2,893,920	\$ 18,565
12,368	22,005	12,731	121,237	33,793
264	2,672	231	106,986	-
-	-	-	361,054	-
727	8,315	6,063	56,678	18,544
6,503	96,165	5,691	1,178,394	-
-	246,398	-	746,398	-
<u>59,952</u>	<u>478,948</u>	<u>62,792</u>	<u>5,464,667</u>	<u>70,902</u>
88,763	132,102	58,067	767,682	242,886
434,420	649,092	295,512	3,336,386	1,031,907
782	10,365	5,085	60,903	19,926
-	-	1,220,000	1,220,000	-
<u>60,394</u>	<u>196,354</u>	<u>52,844</u>	<u>13,317,552</u>	<u>-</u>
<u>584,359</u>	<u>987,913</u>	<u>1,631,508</u>	<u>18,702,523</u>	<u>1,294,719</u>
<u>644,311</u>	<u>1,466,861</u>	<u>1,694,300</u>	<u>24,167,190</u>	<u>1,365,621</u>
<u>24,488</u>	<u>42,029</u>	<u>9,310</u>	<u>193,765</u>	<u>65,236</u>
14,387,960	433,064	973,405	36,179,680	141,813
-	-	685,378	685,378	-
<u>772,496</u>	<u>(563,674)</u>	<u>(297,360)</u>	<u>3,493,274</u>	<u>(1,060,268)</u>
<u>\$ 15,160,456</u>	<u>\$ (130,610)</u>	<u>\$ 1,361,423</u>	40,358,332	<u>\$ (918,455)</u>
			<u>(918,455)</u>	
			<u>\$ 39,439,877</u>	

	Business-Type Activities - Enterprise Funds		
	Electric	Water	Sewer
Operating Revenues			
Charges for services	\$ 11,328,706	\$ 1,616,639	\$ 2,348,424
Operating grants	259,024	24,919	136
Miscellaneous	-	-	-
Total operating revenues	<u>11,587,730</u>	<u>1,641,558</u>	<u>2,348,560</u>
Operating Expenses			
Salaries and wages	541,691	485,211	164,601
Employee benefits	228,112	280,661	100,216
Services and supplies	1,067,339	287,584	443,534
Electric energy purchased	6,428,188	-	-
Depreciation	514,296	286,784	665,421
Data processing use fee	72,000	36,000	12,600
Public works use fee	480,000	240,000	84,000
In lieu of taxes and franchise taxes	798,385	253,867	463,946
General fund administrative support	998,700	146,004	175,212
Total operating expenses	<u>11,128,711</u>	<u>2,016,111</u>	<u>2,109,530</u>
Operating Income (Loss)	<u>459,019</u>	<u>(374,553)</u>	<u>239,030</u>
Nonoperating Revenues (Expenses)			
Investment income	23,448	2,467	5,695
Economic development	(124,177)	-	-
Quality of life promotion	(181,034)	-	-
Transfer out - capital assets	(7,433,080)	-	-
RTC reimbursement	-	588,694	-
Bond issuance costs	(20,878)	(5,465)	-
Interest expense	(135,362)	(30,657)	(245,576)
Total nonoperating revenues (expenses)	<u>(7,871,083)</u>	<u>555,039</u>	<u>(239,881)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(7,412,064)</u>	<u>180,486</u>	<u>(851)</u>
Capital Contributions	44,070	201,491	109,200
Transfers In	-	-	-
Transfers Out	-	-	-
Change in Net Position	<u>(7,367,994)</u>	<u>381,977</u>	<u>108,349</u>
Net Position, Beginning of Year	<u>16,460,720</u>	<u>4,614,531</u>	<u>9,769,480</u>
Net Position (Deficit), End of Year	<u>\$ 9,092,726</u>	<u>\$ 4,996,508</u>	<u>\$ 9,877,829</u>

Amounts reported for business-type activities in the statement of activities are different because:

Net revenues (expenses) of certain internal service funds related to enterprise funds are reported with business-type activities.

Change in net position of business-type activities

See Notes to Financial Statements

City of Fallon, Nevada  
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds  
Year Ended June 30, 2021

Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Funds
Water Treatment	Sanitation	Nonmajor Enterprise Funds	Total	
\$ 1,432,398	\$ 2,237,762	\$ 1,587,790	\$ 20,551,719	\$ 1,380,000
1,591	13,334	-	299,004	636
278,634	-	-	278,634	-
<u>1,712,623</u>	<u>2,251,096</u>	<u>1,587,790</u>	<u>21,129,357</u>	<u>1,380,636</u>
228,963	354,428	221,177	1,996,071	710,931
111,335	221,025	135,750	1,077,099	377,222
527,421	765,722	529,929	3,621,529	237,500
-	-	-	6,428,188	-
386,811	127,924	105,935	2,087,171	24,814
36,778	12,600	10,800	180,778	-
240,000	84,000	72,000	1,200,000	-
348,528	123,975	108,886	2,097,587	-
140,172	169,368	122,652	1,752,108	-
<u>2,020,008</u>	<u>1,859,042</u>	<u>1,307,129</u>	<u>20,440,531</u>	<u>1,350,467</u>
<u>(307,385)</u>	<u>392,054</u>	<u>280,661</u>	<u>688,826</u>	<u>30,169</u>
-	-	-	31,610	-
-	-	-	(124,177)	-
-	-	-	(181,034)	-
-	-	-	(7,433,080)	-
-	-	-	588,694	-
-	-	-	(26,343)	-
<u>(414)</u>	<u>(9,608)</u>	<u>(581)</u>	<u>(422,198)</u>	<u>-</u>
<u>(414)</u>	<u>(9,608)</u>	<u>(581)</u>	<u>(7,566,528)</u>	<u>-</u>
(307,799)	382,446	280,080	(6,877,702)	30,169
53,000	-	-	407,761	-
-	-	41,772	41,772	-
<u>(41,772)</u>	<u>-</u>	<u>-</u>	<u>(41,772)</u>	<u>-</u>
<u>(296,571)</u>	<u>382,446</u>	<u>321,852</u>	<u>(6,469,941)</u>	<u>30,169</u>
<u>15,457,027</u>	<u>(513,056)</u>	<u>1,039,571</u>		<u>(948,624)</u>
<u>\$ 15,160,456</u>	<u>\$ (130,610)</u>	<u>\$ 1,361,423</u>		<u>\$ (918,455)</u>

30,169  
\$ (6,439,772)

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>
Operating Activities			
Cash from customers	\$ 12,526,998	\$ 1,632,233	\$ 2,336,112
Cash from other funds for services	-	-	-
Payments to suppliers for goods and services	(8,415,838)	(423,987)	(548,549)
Payments to employees for services	(530,762)	(483,641)	(162,118)
Payments to other funds for services	<u>(1,797,085)</u>	<u>(399,871)</u>	<u>(639,158)</u>
Net Cash from Operating Activities	<u>1,783,313</u>	<u>324,734</u>	<u>986,287</u>
Noncapital Financing Activities			
Repayments on interfund advances	(523,840)	556,611	(280,000)
Transfers from other funds	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash from (used for) Noncapital Financing Activities	<u>(523,840)</u>	<u>556,611</u>	<u>(280,000)</u>
Capital and Related Financing Activities			
Purchase of property, plant, and equipment	(1,513,700)	(773,810)	(863,660)
Insurance reimbursement	-	-	-
Principal payments on debt	(6,053,393)	(372,584)	(471,417)
Connection fees	44,070	201,491	109,200
Proceeds from issuance of debt	6,224,809	230,078	247,013
Bond issuance costs	(68,704)	-	-
Interest paid on debt	<u>(169,920)</u>	<u>(38,800)</u>	<u>(255,609)</u>
Net Cash from (used for) Capital and Related Financing Activities	<u>(1,536,838)</u>	<u>(753,625)</u>	<u>(1,234,473)</u>
Investing Activities			
Interest on cash and investments	<u>23,448</u>	<u>2,467</u>	<u>5,695</u>
Net Change in Cash and Cash Equivalents	(253,917)	130,187	(522,491)
Cash and Cash Equivalents, Beginning of Year	<u>7,298,807</u>	<u>326,577</u>	<u>1,700,856</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,044,890</u>	<u>\$ 456,764</u>	<u>\$ 1,178,365</u>

See Notes to Financial Statements

City of Fallon, Nevada  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2021

Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Funds
Water Treatment	Sanitation	Nonmajor Enterprise Funds	Total	
\$ 1,669,855	\$ 2,170,637	\$ 1,540,034	\$ 21,875,869	\$ -
-	-	-	-	1,380,636
(944,997)	(1,073,157)	(554,930)	(11,961,458)	(562,388)
(228,872)	(349,916)	(219,864)	(1,975,173)	(717,701)
(488,700)	(293,343)	(231,538)	(3,849,695)	-
<u>7,286</u>	<u>454,221</u>	<u>533,702</u>	<u>4,089,543</u>	<u>100,547</u>
-	(213,679)	(17,366)	(478,274)	-
410,514	-	41,772	452,286	-
(41,772)	-	-	(41,772)	-
<u>368,742</u>	<u>(213,679)</u>	<u>24,406</u>	<u>(67,760)</u>	<u>-</u>
(21,646)	-	-	(3,172,816)	(75,749)
-	-	59,276	59,276	-
(847)	(86,110)	(7,987)	(6,992,338)	-
53,000	-	-	407,761	-
67,744	84,680	-	6,854,324	-
-	-	-	(68,704)	-
(150)	(10,178)	(447)	(475,104)	-
<u>98,101</u>	<u>(11,608)</u>	<u>50,842</u>	<u>(3,387,601)</u>	<u>(75,749)</u>
-	-	-	31,610	-
474,129	228,934	608,950	665,792	24,798
<u>387,308</u>	<u>62,430</u>	<u>1,143,981</u>	<u>10,919,959</u>	<u>97,121</u>
<u>\$ 861,437</u>	<u>\$ 291,364</u>	<u>\$ 1,752,931</u>	<u>\$ 11,585,751</u>	<u>\$ 121,919</u>

	Business-Type Activities - Enterprise Funds		
	Electric	Water	Sewer
Reconciliation of Operating Income (Loss) to Net Cash from (used for) Operating Activities			
Operating income (loss)	\$ 459,019	\$ (374,553)	\$ 239,030
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Depreciation	514,296	286,784	665,421
Amortization	-	-	(47,644)
Bad debt expense	619	-	(46)
Pension contributions	(70,309)	(58,699)	(22,882)
Pension expense	89,902	75,059	29,258
OPEB expense	8,200	7,345	2,492
Economic development expense	(124,177)	-	-
Quality of life promotion expense	(181,034)	-	-
Changes in			
Accounts receivable	939,268	(9,327)	(12,448)
Inventory	-	(51,098)	-
Accounts payable	138,637	447,972	108,765
Landfill closure costs	-	-	-
Accrued payroll and related liabilities	10,929	1,570	8,690
Compensated absences	(22,725)	(1,939)	15,651
Customer deposits	20,688	1,620	-
Net Cash from (used for) Operating Activities	<u>\$ 1,783,313</u>	<u>\$ 324,734</u>	<u>\$ 986,287</u>
Reconciliation of Total Cash and Cash Equivalents:			
Current assets - cash and cash equivalents	\$ 2,948,301	\$ 452,224	\$ 1,178,365
Restricted assets - cash and cash equivalents	4,096,589	4,540	-
Total cash and investments	<u>\$ 7,044,890</u>	<u>\$ 456,764</u>	<u>\$ 1,178,365</u>

See Notes to Financial Statements

City of Fallon, Nevada  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2021

Business-Type Activities - Enterprise Funds				Business-Type Activities - Internal Service Funds
Water Treatment	Sanitation	Nonmajor Enterprise Funds	Total	
\$ (307,385)	\$ 392,054	\$ 280,661	\$ 688,826	\$ 30,169
386,811	127,924	105,935	2,087,171	24,814
-	-	-	(47,644)	-
(31,878)	(41,389)	(26,027)	573	-
40,765	52,925	33,281	(251,184)	(98,611)
3,466	5,365	3,348	321,190	126,094
-	-	-	30,216	10,762
-	-	-	(124,177)	-
-	-	-	(181,034)	-
(42,768)	(80,460)	(47,757)	746,508	-
-	-	-	(51,098)	-
(27,332)	9,896	15,445	693,383	9,663
-	-	165,000	165,000	-
90	4,512	1,313	27,104	(6,770)
(14,483)	(16,606)	2,503	(37,599)	4,426
-	-	-	22,308	-
<u>\$ 7,286</u>	<u>\$ 454,221</u>	<u>\$ 533,702</u>	<u>\$ 4,089,543</u>	<u>\$ 100,547</u>
861,437	\$ 291,364	\$ 1,067,553	\$ 6,799,244	\$ 121,919
-	-	685,378	4,786,507	-
<u>\$ 861,437</u>	<u>\$ 291,364</u>	<u>\$ 1,752,931</u>	<u>\$ 11,585,751</u>	<u>\$ 121,919</u>

## Note 1 - Summary of Significant Accounting Policies

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

### Reporting Entity

The City of Fallon, Nevada is a municipal corporation governed by an elected mayor and a three-member council. The City is fiscally independent of all other governmental entities and is therefore not a component unit of any other entity, nor are there any component units which should be included in this report.

### Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the City of Fallon, Nevada. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made to minimize the double counting of internal activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are specifically associated with a specific function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items properly not included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental, and proprietary – 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

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City and accounts for all financial resources except those accounted for in other funds.

The City reports the following major proprietary funds:

The *Electric Enterprise Fund* accounts for the provision of electric utilities services to residents of the City.

The *Water Enterprise Fund* accounts for the provision of water utilities services to residents of the City.



The *Sewer Enterprise Fund* accounts for the provision of sewer utilities services to residents of the City.

The *Water Treatment Enterprise Fund* accounts for the provision of water treatment services to residents of the City.

The *Sanitation Enterprise Fund* accounts for the provision of sanitation services to residents of the City.

Additionally, the City reports the following nonmajor funds, by generic fund category:

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City's Special Revenue Funds include the Convention and Tourism Authority Fund and the Airport Fund.

The *Debt Service Fund* is used to account for the accumulation of resources for and the payment of general long-term debt obligations.

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The City's Capital Project Funds are the Land Reserve and Park Acquisitions and Development Capital Project Fund and the Special Ad Valorem Capital Projects Fund.

Enterprise funds:

The *Landfill Enterprise Fund* accounts for the provision of landfill services to residents of the City.

The *Water Treatment Replacement Enterprise Fund* accounts for the replacement of major components of the water treatment plant.

*Internal Service Funds* are used to account for the financing of goods and services provided by one fund to other funds of the City. These goods are provided for on a cost reimbursement basis. The City's Internal Service Funds are the Data Processing Internal Service Fund and the Public Works Internal Service Fund.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due but will not be collected within this 60-day period, the receivable is recorded, and an offsetting deferred inflow of resources account is established. Thus, in subsequent periods, when both revenue recognition criteria are met, the deferred inflow of resources is removed, and revenue is recognized. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments are recorded only when payment is due.

Property taxes, consolidated tax revenue (sales tax, cigarette taxes, business services tax, and liquor taxes), room taxes, gaming taxes, gasoline taxes, grants 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. All other revenue items are considered to be measurable and available only when the City receives cash.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used and other charges between the City's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from an exchange transaction such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions and ancillary services.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity**

##### **Cash and Investments**

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the City Treasurer. The City invests in the State of Nevada Local Government Pooled Investment Fund, which is reported at fair value. Interest income earned is distributed to the appropriate funds based on each fund's equity in the investment.

Pursuant to NRS 355 and NRS 355.170, the City of Fallon may only invest in the following types of securities:

- Certain "A" rated notes and bonds purchased by a registered broker-dealer that are issued by corporations organized and operating in the United States and that mature within five (5) years from the date of purchase; asset-backed securities and collateralized mortgage obligations rated "AAA" or higher by a nationally recognized rating service. These investments must not, in the aggregate, exceed 20 percent of the total portfolio at the time of purchase, nor include notes and bonds issued by any one corporation in excess of 25 percent of such investments
- United States bonds and debentures maturing within ten (10) years from the date of purchase
- Certain farm loan bonds
- Bills and notes of the United States Treasury, maturing within ten (10) years from the date of purchase
- Obligations of an agency of the United States or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase
- Obligations of state and local governments if, (1) the interest is exempt for federal income tax purposes and (2) the obligations have been rated "A" or higher by a nationally recognized bond credit rating agency
- Negotiable and nonnegotiable certificates of deposit from commercial banks and insured savings and loan associations
- State of Nevada Local Government Pooled Investment Fund
- Certain securities issued by local governments of the State of Nevada
- Certain bankers' acceptances
- Certain short-term paper issued by a corporation organized and operating in the United States
- Other securities expressly provided by other statutes, including repurchase agreements
- Certain "AAA" rated mutual funds that invest in (1) securities issued by the Federal Government or agencies of the Federal Government, (2) Master, bank notes or other short-term commercial paper rates as "A-1" or "P-1" issued by a corporation or depository institution organized, licensed, and operating in the United States and/or (3) Repurchase agreements that are fully collateralized by (1) and (2) above.

#### **Cash Equivalents**

Cash equivalents include short-term highly liquid investments (with maturities of 3 months or less when purchased) that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk in changes in value. Based on the nature of the investment policies, all amounts are available on demand and are, therefore, classified as cash equivalents on the Statements of Cash Flows.

#### **Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Significant interfund balances not expected to be collected within one year are classified as advances on the fund financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

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

Receivables in proprietary fund types have arisen in the ordinary course of business. Proprietary accounts receivable and the related allowance for doubtful accounts at June 30, 2021, are as follows:

Fund Type	Outstanding Balance	Allowance for Doubtful Accounts	Net
Enterprise Funds			
Electric	\$ 1,459,038	\$ 56,864	\$ 1,402,174
Water	215,213	8,825	206,388
Sewer	286,195	12,288	273,907
Water Treatment	225,648	7,427	218,221
Sanitation	244,560	9,118	235,442
Nonmajor	261,669	42,869	218,800
	<u>\$ 2,692,323</u>	<u>\$ 137,391</u>	<u>\$ 2,554,932</u>

#### Inventories

Proprietary fund inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds in the fund financial statements are considered consumable supplies and as such are recorded as expenditures at the time of purchase.

#### Restricted Assets

City policy requires that certain resources be set aside pursuant to external requirements. These amounts are reported as restricted assets.

#### Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, machinery and equipment and infrastructure, are capitalized and reported in the applicable governmental activities and business-type activities columns of the government-wide financial statements. For governmental fund types, outlays for capital assets are expensed during the current period. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 for non-infrastructure assets and \$100,000 for infrastructure assets and an estimated useful life in excess of two years.

Capital assets are recorded at cost for purchased or constructed assets. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Estimated Useful Life (Years)
Buildings and improvements	20-50
Machinery and equipment	5-10
Electric, water and sewer system	20-50
Infrastructure	25-40

**Long-Term Liabilities**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities are reported as liabilities.

It is the City’s policy to permit nonappointed employees to accumulate earned but unused vacation and sick pay benefits. The liability for compensated absences is calculated under the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.”

All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. For current and advance refunding resulting in a defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method.

A liability for compensated absences is reported in the governmental funds, primarily the General Fund, only if they have matured as a result of employee resignations, terminations, and retirements. For governmental fund types, bond premiums and discounts are recognized during the current period. The face amount of bonds is reported as other financing sources, as are bond premiums. Bond discounts are recorded as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Deferred Inflows and Outflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City reported deferred

outflows of resources related to other postemployment benefits resulting from the City's contributions subsequent to the measurement date of the net other postemployment liability. The City reflects deferred outflows of resources which are related to pensions resulting from differences between expected and actual experience, changes in assumptions, change in the City's proportion and differences between the City's contributions and the employer's proportionate contribution, and the City's contributions subsequent to the measurement date reported in the government-wide financial statement of net position under the accrual basis of accounting.

In addition to liabilities, the statement of net position and/or balance sheet 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 reported deferred inflows of resources related to pensions resulting from differences between expected and actual experience, the difference between projected and actual earnings on pension plan investments, and changes in the City's proportion and differences between the City's contributions and the employer's proportionate contribution reported in the government-wide financial statement of net position under the accrual basis of accounting. The City also reflects deferred inflows of resources which are unavailable revenue reported in the governmental funds balance sheet for delinquent property taxes that arise under the modified accrual basis of accounting.

### **Pensions**

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

### **Equity**

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

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

In the fund financial statements, governmental fund equity is reported as fund balances and is classified into a hierarchy that is based on the extent to which the City is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The following classifications have been implemented by the City:

- **Nonspendable fund balance** – These items are legally or contractually required to be maintained intact or are not in a spendable form, such as inventories, prepaids, and long-term receivables, including advances to other funds.
- **Restricted fund balance** – These amounts are constrained to being used for specific purposes by external parties, constitutional provisions or enabling legislation, such as debt service.
- **Committed fund balance** – These amounts can only be used for specific purposes as set forth by the City Council, the City’s highest level of decision-making authority. A resolution by the Council must be made prior to the end of the reporting period, in order to establish an ending fund balance commitment for any specific purpose. This formal action is also required to modify or rescind an established commitment. Commitments generally include funds for the Convention and Tourism Authority, the Airport, and for other special projects.
- **Assigned fund balance** – Assignments are neither restrictions nor commitments and represent the City’s intent to use funds for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future use of the City’s ending fund balance. The City Council with the Mayor has the authority to assign amounts of ending fund balance through a formal resolution.
- **Unassigned fund balance** – The residual classification for the General Fund that is available to spend. The General Fund is the only fund that reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred, and both restricted and unrestricted resources are available, the portion of the fund balance that was restricted for those purposes shall be reduced first. If no restricted resources exist, then the unrestricted fund balance shall be reduced. Furthermore, when an expenditure is incurred for purposes which amounts of committed, assigned, or unassigned are considered to have been spent, and any of these unrestricted fund balance classifications could be used, they are considered to be spent in the above order.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

### **Note 2 - Stewardship, Compliance and Accountability**

#### **Budgets and Budgetary Accounting**

The City adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, in which annual budgets are legally adopted for all funds. The Act and City policy include the following procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the Mayor of the City of Fallon files a tentative budget with the Nevada Department of Taxation for all funds.
2. Public budget hearings on the tentative budget are held in May.
3. Prior to June 1, at a public hearing, the City Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the City Council. The final budget must then be forwarded to the Nevada Tax Commission for final approval.
4. Formal budgetary integration in the financial records of the General, Special Revenue, Capital Projects, Debt Service, and Proprietary Funds is employed in order to enhance management control during the year. All funds have legally adopted budgets.
5. Budgets for all funds are adopted on a basis consistent with GAAP, except for the funds which are combined for external reporting (the General Fund, Parking Lot Fund, Secured Freight Yard Fund, Unemployment Compensation Fund, Convention Center Fund, Compensated Absence Fund, Fire Truck Reserve Fund, Mayor's Youth Fund, Mayor's Century Fund, and the Martin Vusich Self-Sustaining Centennial Fund). Appropriations lapse at year-end.
6. Budget amounts within funds and between funds may be transferred if amounts do not exceed the original budget. Such transfers are to be approved by the City Council. Budget augmentations in excess of original budgetary amounts for any function or fund may not be made without prior approval of the City Council, following a scheduled and noticed public hearing. The budget reflected in the financial statements has been amended from original amounts in accordance with state statute.

In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various governmental functions (excluding the debt service function) of the General, Special Revenue and Capital Projects Funds. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments, and other long term contracts expressly authorized by law. In the Proprietary Funds, actual expenses may not exceed the sum of budgeted operating and nonoperating expenses. The governmental functions of the General Fund are general government, public safety, judicial, public works, culture and recreation, and community support.

### **Compliance**

The City conformed to all significant statutory and legal constraints on its financial administration during the year with the following exceptions:

Nevada Administrative Code, (NAC) 354.750 states that at least once every two years an inventory will be taken of all equipment and other personal property which constitute capital assets. It has been at least two years since the last inventory was taken, which is in excess of the two-year requirement. This is an apparent violation of NAC 354.750.

The fund listed below over expended amounts appropriated for various functions or program and, as such, may not be in accordance with Nevada Revised Statute 354.626:



Fund	Function/Program	Amount
Electric Enterprise Fund	Operating/Non-Operating Expenses	\$ 485,156
Landfill Enterprise Fund	Operating/Non-Operating Expenses	\$ 57,376

**Note 3 - Cash and Investments**

The City's cash and investments is as follows at June 30, 2021:

	Restricted	Unrestricted	Total
Cash and investment balances held by			
Governmental Funds	\$ 7,974	\$ 2,102,310	\$ 2,110,284
Proprietary Funds	4,786,507	6,921,163	11,707,670
<b>Total cash and investments</b>	<b>\$ 4,794,481</b>	<b>\$ 9,023,473</b>	<b>\$ 13,817,954</b>
<b>Total investments</b>			
State of Nevada Local Government Investment Pool		*	\$ 6,915,297
<b>Total cash</b>			<b>6,902,657</b>
<b>Total cash and investments</b>			<b>\$ 13,817,954</b>

\* represents average weighted maturity of 143 days

The City is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The City's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of pool shares. The City's investment in the LGIP is reported at Net Asset Value. The City is able to withdraw funds on a daily basis and has no outstanding, unfunded commitments as of June 30, 2021. Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The City has not adopted a formal investment policy that would further limit its exposure to certain risks as set forth below:

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

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality rating of its investments. LGIP is an unrated external investment pool and as noted above, the City does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in the statute.

**Custodial Credit Risk- Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's bank deposits of \$6,804,834 were covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool as of June 30, 2021.

#### **Note 4 - Property Taxes**

All real property in the City is assigned a parcel number by the Churchill County Assessor in accordance with state law, with each parcel being subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values that are attached on July 1. The tax is due and payable July 1, or the taxpayer is offered four installments being third Monday in August, first Monday in October, first Monday in January and first Monday in March. The assessed valuation of the property and its improvements is computed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the state constitution at \$5 per one hundred dollars of assessed valuation. As a result of the 1979 legislative session, the tax rate was further limited to \$3.64 per one hundred dollars of assessed valuation, except in cases of severe financial emergency as defined by NRS 354.705.

Churchill County bills and collects the property tax for the City. The tax rates are levied immediately after the combined tax rate has been certified by the Nevada Tax Commission. The rate levied is for the current fiscal year, July 1 to June 30, with the taxes considered a lien against real property that attached on July 1.

After a two-year waiting period, if the taxes remain unpaid, a tax deed is issued conveying the property to the County (collection agent for the City's property tax) with a lien for back taxes and accumulated penalties. Redemption may be made by the owner and such persons as described by statutes by paying all back taxes and accumulated penalties, interest, and costs before sale.

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

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

**Note 5 - Capital Assets**

Capital asset activity for the year ended June 30, 2021:

Governmental Activities	Balance at July 1, 2020	Additions	Disposals	Transfers	Balance at June 30, 2021
Capital assets, not being depreciated					
Land	\$ 815,947	\$ -	\$ -	\$ -	\$ 815,947
Construction in progress	194,445	3,158,110	-	(695,682)	2,656,873
Total capital assets, not being depreciated	<u>1,010,392</u>	<u>3,158,110</u>	<u>-</u>	<u>(695,682)</u>	<u>3,472,820</u>
Capital assets, being depreciated					
Infrastructure	32,305,024	-	-	695,682	33,000,706
Buildings and improvements	6,274,587	-	-	7,433,080	13,707,667
Machinery and equipment	5,492,421	54,104	-	-	5,546,525
Total capital assets, being depreciated	<u>44,072,032</u>	<u>54,104</u>	<u>-</u>	<u>8,128,762</u>	<u>52,254,898</u>
Less accumulated depreciation					
Infrastructure	(16,583,484)	(556,181)	-	-	(17,139,665)
Buildings and improvements	(2,383,404)	(334,396)	-	-	(2,717,800)
Machinery and equipment	(3,818,446)	(170,163)	-	-	(3,988,609)
Total accumulated depreciation	<u>(22,785,334)</u>	<u>(1,060,740)</u>	<u>-</u>	<u>-</u>	<u>(23,846,074)</u>
Total capital assets, being depreciated, net	<u>21,286,698</u>	<u>(1,006,636)</u>	<u>-</u>	<u>8,128,762</u>	<u>28,408,824</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,297,090</u>	<u>\$ 2,151,474</u>	<u>\$ -</u>	<u>\$ 7,433,080</u>	<u>\$ 31,881,644</u>

Construction in progress consists of the Airport Pavement Rehabilitation and Front/Maine Street Access projects.

The construction of the Pennington Youth Center was paid for by the Electric Enterprise Fund. Construction of the Center was completed during the year and the Center was placed into service. At the time the Center was placed into service, the Electric Enterprise Fund transferred the Center's capital assets to the Governmental Activities general government function totaling \$7,433,080.

Business-type Activities

	Balance at July 1, 2020	Additions	Disposals	Transfers	Balance at June 30, 2021
Capital assets, not being depreciated					
Land	\$ 2,287,657	\$ -	\$ -	\$ -	\$ 2,287,657
Construction in progress	9,718,166	2,703,673	-	(10,015,094)	2,406,745
Total capital assets, not being depreciated	<u>12,005,823</u>	<u>2,703,673</u>	<u>-</u>	<u>(10,015,094)</u>	<u>4,694,402</u>
Capital assets, being depreciated					
Buildings and improvements	2,054,086	-	-	-	2,054,086
Machinery and equipment	7,948,167	189,651	(59,000)	-	8,078,818
Electric, water, and sewer system	73,155,341	354,944	-	2,582,014	76,092,299
Total capital assets, being depreciated	<u>83,157,594</u>	<u>544,595</u>	<u>(59,000)</u>	<u>2,582,014</u>	<u>86,225,203</u>
Less accumulated depreciation					
Buildings and improvements	(1,027,974)	(69,735)	-	-	(1,097,709)
Machinery and equipment	(5,586,797)	(380,217)	59,000	-	(5,908,014)
Electric, water, and sewer system	(35,243,189)	(1,662,033)	-	-	(36,905,222)
Total accumulated depreciation	<u>(41,857,960)</u>	<u>(2,111,985)</u>	<u>59,000</u>	<u>-</u>	<u>(43,910,945)</u>
Total capital assets, being depreciated, net	<u>41,299,634</u>	<u>(1,567,390)</u>	<u>-</u>	<u>2,582,014</u>	<u>42,314,258</u>
Business-type Activities Capital Assets, Net	<u>\$ 53,305,457</u>	<u>\$ 1,136,283</u>	<u>\$ -</u>	<u>\$ (7,433,080)</u>	<u>\$ 47,008,660</u>

Construction in progress consists of the New River Feeders and Electric Meter Replacement projects.

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

Governmental Activities		
General Government and Administration		
City clerk	\$ 4,189	
City hall	34,822	
		<u>39,011</u>
Judicial		
Municipal court		<u>4,466</u>
Public Safety		
Police	118,615	
Task force	1,444	
Animal control	474	
Fire	6,927	
		<u>127,460</u>
Public Works		
Street, curb & gutter	318,946	
Airport	231,036	
		<u>549,982</u>
Culture and Recreation		
Centennial	2,200	
Parks	113,562	
		<u>115,762</u>
Community Support		
Administrative buildings	193,768	
Convention center	30,291	
		<u>224,059</u>
Total governmental activities		<u>\$ 1,060,740</u>
Business-type Activities		
Electric Fund	\$ 514,296	
Water Fund	286,784	
Sewer Fund	665,421	
Water Treatment Fund	386,811	
Sanitation Fund	127,924	
Landfill Fund	105,935	
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets		<u>24,814</u>
Total business-type activities		<u>\$ 2,111,985</u>

**Note 6 - Long-Term Debt**

The following schedule summarizes the changes in long-term debt:

Governmental Activities	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021
<u>Medium - Term Obligation:</u>				
Direct Borrowings:				
\$265,792 to KS State Bank dated 07/17 with monthly payments of \$5,156 including interest at 6.14%	\$ 116,165	\$ -	\$ (56,304)	\$ 59,861
Less amount classified as current	(56,304)	-	(3,557)	(59,861)
Long-term portion	<u>59,861</u>	<u>-</u>	<u>(59,861)</u>	<u>-</u>
\$358,800 to Zions Bank dated 12/20 with semi-annual payments of \$19,250 including interest at 1.19%	-	358,800	(4,485)	354,315
Less amount classified as current	-	-	(34,445)	(34,445)
Long-term portion	<u>-</u>	<u>358,800</u>	<u>(38,930)</u>	<u>319,870</u>
Airport Special Revenue Fund \$307,600 to Zions Bank dated 12/20 with semi annual payments of \$16,500 including interest at 1.19%	-	307,600	(3,845)	303,755
Less amount classified as current	-	-	(29,530)	(29,530)
Long-term portion	<u>-</u>	<u>307,600</u>	<u>(33,375)</u>	<u>274,225</u>
<u>Other Liabilities</u>				
Compensated absences	396,038	296,462	(305,000)	387,500
Less amount classified as current	(200,395)	13,606	-	(186,789)
Long-term portion	<u>195,643</u>	<u>310,068</u>	<u>(305,000)</u>	<u>200,711</u>
<u>Total Medium - Term Obligation and Other Liabilities</u>				
Governmental activities	512,203	962,862	(369,634)	1,105,431
Less amount classified as current	<u>(256,699)</u>	<u>13,606</u>	<u>(67,532)</u>	<u>(310,625)</u>
Long-term portion	<u>\$ 255,504</u>	<u>\$ 976,468</u>	<u>\$ (437,166)</u>	<u>\$ 794,806</u>

Payments on the bonds payable that pertain to the City's governmental activities are made by the nonmajor governmental debt service fund. The compensated absence liability is paid from the fund responsible for the employee's compensation with significant liabilities payable from the General Fund.

City of Fallon, Nevada  
Notes to Financial Statements  
June 30, 2021

Business-type Activities

	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021
<b>Bonds Payable</b>				
<b>Electric Enterprise Fund</b>				
Direct Borrowings:				
\$6,333,000 bond payable to Branch Bank & Trust dated 11/17 with semi-annual payments of \$540,500 with interest at 2.7%	\$ 5,862,000	\$ -	\$ (5,862,000)	\$ -
Less amount classified as current	(382,000)	-	382,000	-
Long-term portion	<u>5,480,000</u>	<u>-</u>	<u>(5,480,000)</u>	<u>-</u>
Direct Borrowing:				
\$163,330 (1/3 portion) capital lease ZB, N.A. dated 4/14/20 with semi-annual payments of \$18,500 with interest at 2.98%	163,330	-	(163,330)	-
Less amount classified as current	(14,387)	-	14,387	-
Long-term portion	<u>148,943</u>	<u>-</u>	<u>(148,943)</u>	<u>-</u>
\$644,809 to Zions Bank dated 12/20 with semi-annual payments of \$35,000 with interest at 1.19%	-	644,809	(8,064)	636,745
Less amount classified as current	-	-	(61,921)	(61,921)
Long-term portion	<u>-</u>	<u>644,809</u>	<u>(69,985)</u>	<u>574,824</u>
\$5,580,000 to JP Morgan Chase Bank dated 08/20 with semi-annual payments of \$251,000 with interest at 1.33%	-	5,580,000	(20,000)	5,560,000
Less amount classified as current	-	-	(431,000)	(431,000)
Long-term portion	<u>-</u>	<u>5,580,000</u>	<u>(451,000)</u>	<u>5,129,000</u>
<b>Electric Enterprise Funds Totals</b>	6,025,330	6,224,809	(6,053,394)	6,196,745
Less amount classified as current	<u>(396,387)</u>	<u>-</u>	<u>(96,534)</u>	<u>(492,921)</u>
Long-term portion	<u>\$ 5,628,943</u>	<u>\$ 6,224,809</u>	<u>\$ (6,149,928)</u>	<u>\$ 5,703,824</u>
<b>Water Enterprise Fund</b>				
Direct Placements:				
\$1,156,127 bond payable to State of Nevada dated 01/06; secured by pledged revenues; semi-annual payments of \$58,822 with interest at 2.23%	\$ 770,064	\$ -	\$ (102,363)	\$ 667,701
Less amount classified as current	<u>(102,363)</u>	<u>-</u>	<u>(2,446)</u>	<u>(104,809)</u>
Long-term portion	<u>667,701</u>	<u>-</u>	<u>(104,809)</u>	<u>562,892</u>

City of Fallon, Nevada  
Notes to Financial Statements  
June 30, 2021

Business-type Activities (Continued)

	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021
\$996,087 bond payable to State of Nevada dated 01/16; secured by pledged revenues; semi-annual payments of \$57,835 with interest at 2.23%	\$ 603,758	\$ -	\$ (104,015)	\$ 499,743
Less amount classified as current	(104,015)	-	(2,490)	(106,505)
Long-term portion	<u>499,743</u>	<u>-</u>	<u>(106,505)</u>	<u>393,238</u>
Direct Borrowings:				
\$163,330 (1/3 portion) capital lease ZB, N.A. dated 4/14/20 with semi-annual payments of \$18,500 with interest at 2.98%	163,330	-	(163,330)	-
Less amount classified as current	(14,387)	-	14,387	-
Long-term portion	<u>148,943</u>	<u>-</u>	<u>(148,943)</u>	<u>-</u>
\$230,078 to Zions Bank dated 12/20 with semi-annual payments of \$12,000 with interest at 1.19%	-	230,078	(2,876)	227,202
Less amount classified as current	-	-	(22,087)	(22,087)
Long-term portion	<u>-</u>	<u>230,078</u>	<u>(24,963)</u>	<u>205,115</u>
Water Enterprise Fund totals	1,537,152	230,078	(372,584)	1,394,646
Less amount classified as current	(220,765)	-	(12,636)	(233,401)
Long-term portion	<u>\$ 1,316,387</u>	<u>\$ 230,078</u>	<u>\$ (385,220)</u>	<u>\$ 1,161,245</u>
<b>Sewer Enterprise Fund</b>				
Direct Placement:				
\$7,285,000 bond payable to State of Nevada Bond Bank dated 11/15; variable payments of \$552,413 per year with interest at approximately 3.17%	\$ 6,195,000	\$ -	\$ (305,000)	\$ 5,890,000
Less amount classified as current	(305,000)	-	(15,000)	(320,000)
Long-term portion	<u>5,890,000</u>	<u>-</u>	<u>(320,000)</u>	<u>5,570,000</u>
Direct Borrowing:				
\$163,330 (1/3 portion) capital lease ZB, N.A. dated 4/14/20 with semi-annual payments of \$18,500 with interest at 2.98%	163,330	-	(163,330)	-
Less amount classified as current	(14,387)	-	14,387	-
Long-term portion	<u>148,943</u>	<u>-</u>	<u>(148,943)</u>	<u>-</u>



City of Fallon, Nevada  
Notes to Financial Statements  
June 30, 2021

Business-type Activities (Continued)

	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021
\$247,013 to Zions Bank dated 12/20 with semi-annual payments of \$13,000 with interest at 1.19%	\$ -	\$ 247,013	\$ (3,088)	\$ 243,925
Less amount classified as current	-	-	(23,713)	(23,713)
Long-term portion	-	247,013	(26,801)	220,212
Sewer Enterprise Fund Totals	6,358,330	247,013	(471,418)	6,133,925
Less amount classified as current	(319,387)	-	(24,326)	(343,713)
Long-term portion	\$ 6,038,943	\$ 247,013	\$ (495,744)	\$ 5,790,212
<b>Sanitation Enterprise Fund</b>				
Direct Borrowings:				
\$84,680 to Zions Bank dated 12/20 with semi-annual payments of \$4,500 with interest at 1.19%	\$ -	\$ 84,680	\$ (1,058)	\$ 83,622
Less amount classified as current	-	-	(8,130)	(8,130)
Long-term portion	-	84,680	(9,188)	75,492
\$405,763 capital lease with Nevada State Bank dated 10/16; semi-annual payments of \$36,708 with interest at 2.75%	176,204	-	(68,638)	107,566
Less amount classified as current	(69,072)	-	(1,882)	(70,954)
Long-term portion	107,132	-	(70,520)	36,612
\$172,735 capital lease with ZB, N.A. dated 10/16; semi-annual payments of \$10,158 with interest at 3.33%	117,745	-	(16,414)	101,331
Less amount classified as current	(16,527)	-	(554)	(17,081)
Long-term portion	101,218	-	(16,968)	84,250
Sanitation Enterprise Fund Totals	293,949	84,680	(86,110)	292,519
Less amount classified as current	(85,599)	-	(10,566)	(96,165)
Long-term portion	\$ 208,350	\$ 84,680	\$ (96,676)	\$ 196,354
<b>Landfill Enterprise Fund</b>				
Direct Borrowings:				
\$59,276 to Zions Bank dated 12/20 with semi-annual payments of \$3,500 with interest at 1.19%	\$ -	\$ 59,276	\$ (741)	\$ 58,535
Less amount classified as current	-	-	(5,691)	(5,691)
Long-term portion	-	59,276	(6,432)	52,844

Business-type Activities (Continued)

	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021
\$398,153 capital lease with Government Leasing, LLC, dated 04/15; annual payments of \$7,562 at 5.45%	\$ 7,246	\$ -	\$ (7,246)	\$ -
Less amount classified as current Long-term portion	(7,246) -	- -	7,246 -	- -
Landfill Enterprise Fund Totals	7,246	59,276	(7,987)	58,535
Less amount classified as current	(7,246)	-	1,555	(5,691)
Long-term portion	\$ -	\$ 59,276	\$ (6,432)	\$ 52,844
<b>Water Treatment Enterprise Fund</b>				
Direct Borrowing:				
\$67,744 to Zions Bank dated 12/20 with semi-annual payments of \$3,750 with interest at 1.19%	\$ -	\$ 67,744	\$ (847)	\$ 66,897
Less amount classified as current	-	-	(6,503)	(6,503)
Long-term portion	\$ -	\$ 67,744	\$ (7,350)	\$ 60,394
<u>Other Liabilities</u>				
Compensated absences	\$ 189,223	\$ 123,350	\$ (156,522)	\$ 156,051
Less amount classified as current	(95,754)	20,532	-	(75,222)
Long-term portion	93,469	143,882	(156,522)	80,829
<u>Total Bonds Payable, Capital Leases and Other Liabilities</u>				
Business-type activities	14,411,230	7,036,950	(7,148,862)	14,299,318
Unamortized net bond premium	400,323	-	(47,644)	352,679
Less amounts classified as current	(1,125,138)	20,532	(149,010)	(1,253,616)
Long-term portion	\$ 13,686,415	\$ 7,057,482	\$ (7,345,516)	\$ 13,398,381

On August 4, 2020 the City issued \$5,580,000 in Electric System Revenue Refunding Bonds (Series 2020) with an interest rate of 1.33%. The purpose of the issue was to current refund the 2017 Electric System Revenue Bonds with an interest rate of 2.7%. The bonds has final payments due on November 1, 2032. The refunding decreased debt service by \$423,293 over 13 years. The refunding resulted in an economic gain of \$387,727 (which is the difference in the net present value of the cash flows of the old debt over the new debt). The refunded bonds were considered to be defeased and the liability was removed from the financial statements.

The equipment listed below is pledged as collateral for the capital leases that the equipment was purchased with.

The assets acquired with capital leases and the corresponding accumulated depreciation as of June 30, 2021 are as follows:

	Capitalized Cost	Accumulated Depreciation
<b>Electric, Water, and Sewer Fund</b>		
Vac-Con Hydro Excavator	\$ 489,990	\$ 59,442
<b>Sanitation Enterprise Fund</b>		
Side loader	\$ 75,065	\$ 57,790
Sweeper	229,283	168,141
Rear loader	75,065	57,790
Rough terrain forklift	26,350	20,286
	\$ 405,763	\$ 304,007
<b>Sewer Fund</b>		
Alley Trailer	\$ 19,875	\$ 7,634
Roll-off bins	61,360	19,232
Bins	22,960	6,831
Waste wheelers	66,981	19,903
	\$ 171,176	\$ 53,600
<b>Landfill Enterprise Fund</b>		
Tipper	\$ 398,153	\$ 247,073

Annual requirements to amortize the City's bonds payable and capital leases as of June 30, 2021:

	Governmental Activities		Electric Enterprise Fund		Water Enterprise Fund		Sewer Enterprise Fund	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2022	\$ 8,872	\$ 123,836	\$ 78,293	\$ 492,921	\$ 27,435	\$ 233,401	\$ 233,424	\$ 343,713
2023	6,683	64,974	71,785	498,889	22,429	238,802	217,139	359,084
2024	5,906	65,641	65,195	505,533	17,307	244,208	200,101	374,331
2025	5,121	66,307	58,515	512,178	12,067	249,737	189,310	389,578
2026	4,326	67,307	51,748	519,146	6,704	196,629	178,066	399,949
2027-2032	9,499	329,866	167,628	3,668,078	5,256	231,869	692,770	2,737,270
2033-2037	-	-	-	-	-	-	124,005	1,530,000
	<u>\$ 40,407</u>	<u>\$ 717,931</u>	<u>\$ 493,164</u>	<u>\$ 6,196,745</u>	<u>\$ 91,198</u>	<u>\$ 1,394,646</u>	<u>\$ 1,834,815</u>	<u>\$ 6,133,925</u>

#### Pledged Revenues

##### Business-type activities

The City has pledged future water utility customer revenues and nonoperating revenue, net of specified operating expenses to repay water utility general obligation bonds issued in January 2016. Proceeds from the bonds provided financing for expansion of and improvements to the water utility system. The bonds are intended to be paid solely from water utility customer net revenues and are payable through fiscal year 2027. The total principal and interest to be paid on the bonds is \$1,245,182. For the current year, principal and interest paid on the bonds totaled \$116,902. Net pledged revenues totaled \$582,009.

The City has pledged future sewer utility customer revenues and nonoperating revenue, net of specified operating expenses to repay sewer utility general obligation bonds issued in November 2015. Proceeds from the bonds provided financing for expansion of and improvements to the sewer utility system. The bonds are intended to be paid solely from sewer utility customer net revenues and are payable through fiscal year 2035. The total principal and interest to be paid on the bonds is \$7,710,363. For the current year, principal and interest paid on the bonds totaled \$550,913. Net pledged revenues totaled \$1,658,011.

The City has pledged future electric utility customer revenues and nonoperating revenue, net of specified operating expenses to repay electric utility bonds issued in August 2020. Proceeds from the bonds provided refunding of the electric utility bonds issued in November 2017. The bonds are intended to be paid solely from electric utility customer net revenues and are payable through fiscal year 2033. The total principal and interest to be paid on the bonds is \$6,015,232. For the current year, principal and interest paid on the bonds totaled \$74,909. Net pledged revenues totaled \$2,877,268.

City of Fallon, Nevada  
Notes to Financial Statements  
June 30, 2021

Sanitation Enterprise Fund		Landfill Enterprise Fund		Water Treatment Replacement Enterprise Fund		Total Business-Type	
Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
\$ 6,643	\$ 96,165	\$ 663	\$ 5,691	\$ 757	\$ 6,503	\$ 347,215	\$ 1,178,394
4,007	62,524	594	5,779	679	6,605	316,633	1,171,683
2,817	26,589	525	5,839	600	6,673	286,545	1,163,173
2,105	27,287	456	5,898	521	6,741	262,974	1,191,419
1,371	28,048	385	5,987	440	6,842	238,714	1,156,601
1,374	51,906	945	29,341	966	33,533	868,939	6,751,997
-	-	-	-	-	-	124,005	1,530,000
<u>\$ 18,317</u>	<u>\$ 292,519</u>	<u>\$ 3,568</u>	<u>\$ 58,535</u>	<u>\$ 3,963</u>	<u>\$ 66,897</u>	<u>\$ 2,445,025</u>	<u>\$ 14,143,267</u>

**Note 7 - Interfund Balances and Activity**

**Due To/From Other Funds**

A summary of amounts due from and to other funds as of June 30, 2021, is as follows:

Due From	Due To				Total
	General Fund	Electric Fund	Water Enterprise Fund	Water Treatment Enterprise Fund	
Water Fund	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000
Sanitation Fund	13,627	-	32,771	200,000	246,398
Total	<u>\$ 13,627</u>	<u>\$ 500,000</u>	<u>\$ 32,771</u>	<u>\$ 200,000</u>	<u>\$ 746,398</u>

Amounts due from and due to other funds represent the portion of the City's interfund balances that are expected to be repaid in the upcoming year. The Sanitation Enterprise Fund owes the General Fund for underpayment of overhead and fees. The Water Enterprise Fund owes the Electric Fund for operating expenses. The amounts payable to the Water Enterprise Fund from the Sanitation Enterprise Fund relate to a capital acquisition loan made to the Sanitation Enterprise Fund for the acquisition of a Transfer Station in prior years. The amounts payable to the Water Enterprise Fund from the Sanitation Enterprise Fund relate to a capital acquisition loan made to the Sanitation Enterprise Fund for the acquisition of a Transfer Station in prior years.

**Transfers From/To Other Funds**

A summary of transfers between funds during the year ended June 30, 2021 is as follows:

<u>Governmental Activities</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 400,000	\$ (186,870)
Nonmajor Governmental Funds		
Convention and tourism authority fund	-	(400,000)
Airport fund	125,000	-
Debt service fund	61,870	-
	<u>586,870</u>	<u>(586,870)</u>
Total governmental activities		
<u>Business-type Activities</u>		
Water Treatment Enterprise Fund	-	(41,772)
Nonmajor Enterprise Funds		
Water treatment replacement fund	41,772	-
	<u>41,772</u>	<u>(41,772)</u>
Total enterprise funds		
Total transfers	<u>\$ 628,642</u>	<u>\$ (628,642)</u>

The principal purpose of the interfund transfers between the governmental funds is to subsidize programs in accordance with the City Council's approved budget. The Convention and Tourism Authority Fund transfer out to the General Fund is to reimburse the General Fund for convention center expenditures. The General Fund transfer out to the Nonmajor Airport Fund was to fund a match for a grant. The General Fund transfer out to the Nonmajor Debt Service Fund was to fund debt payments. The transfer between the Water Treatment Enterprise Fund and the Nonmajor Water Treatment Replacement Enterprise Fund was made in accordance with an agreement with the State of Nevada Water Financing Board.

**Note 8 - 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. The City maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Note 9 - Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require that the City of Fallon place a final cover on its landfill when closed and 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 postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is \$1,220,000 as of June 30, 2021, which is based on 30.57% usage (filled) of the landfill. It is estimated that an additional \$2,770,801 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is currently expected to be filled to capacity (the year 2113). The estimated total current cost of the landfill closure and postclosure care (\$3,990,801) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2021. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

The City has not set aside any funds to finance closure and postclosure care. The financing for these costs is expected to be funded from future operations of the landfill. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations for example) may need to be covered by charges to future landfill users, taxpayers, or both.

The change in the estimated liability for landfill closure and postclosure care costs was as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>June 30, 2021</u>
Estimated Liability of Landfill Closure and Postclosure Care Costs	<u>\$ 1,055,000</u>	<u>\$ 165,000</u>	<u>\$ -</u>	<u>\$ 1,220,000</u>

**Note 10 - Postemployment Retirement Health Insurance Benefit**

The City provides other postemployment benefits (OPEB) for eligible retired employees through either participation in the City's health insurance program or the Nevada Public Employees' Benefits Plan (PEBP) under NRS 287.023.

Plan Description – The City's defined benefit OPEB plan, City of Fallon Employee Health Benefits Plan (COFEHBP), provides OPEB for all eligible employees on retirement from the City. Additionally, the City contributes to the defined OPEB plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, dental, vision, and life insurance benefits to eligible retired City employees and beneficiaries.

COFEHBP is a single employer defined benefit OPEB plan administered by the City. In accordance with Nevada Revised Statute 287.010, the COFEHBP was adopted to provide postemployment benefits to full-time employees on retirement.



Eligibility requirements, benefit levels, employee contributions, and employer contributions are governed by the City and can only be amended by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75; no separate financial reports are issued.

PEBP is a single-employer defined benefit OPEB plan administered by a nine-member governing board. Nevada Revised Statute 287.023 allows certain retired employees of governmental entities with the State of Nevada to join the State’s Public Employee Benefits Program. Nevada Revised Statute 287.023 sunsetted the option to join PEBP for County employees who retired from the County after September 1, 2008. Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75; no separate financial reports are issued.

Benefits Provided – COFEHBP provides healthcare, vision, dental and life insurance for eligible retirees and their dependents. Employees retiring from the City under PERS are allowed to continue participation in the City’s group health insurance program (medical, dental, vision and life insurance). Retirees are responsible for the payment of their premiums, as well as premium for eligible dependents.

PEBP provides medical, prescription, vision, life, and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The City is required to provide a subsidy for their retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depends on the date of retirement and years of PERS service former employees earned in total and while working for the City. The subsidy ranges from a minimum of \$3 to a maximum of \$806 per month. Subsidies for retiree premiums participating in the PEBP are paid directly to the State when due. The City’s obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former City employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the City on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the City’s expense.

Employee Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

	COFEHBP	PEBP	Total
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	21	31	52
Active Employees	106	-	106
	<u>127</u>	<u>31</u>	<u>158</u>

Total OPEB Liability – The City’s total OPEB liability of \$2,783,642 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

	COFEHBP	PEBP	Total
Total OPEB Liability	\$ 1,634,087	\$ 1,149,555	\$ 2,783,642

Assumptions and Other Inputs – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs for COFEHBP and PEBP, applied to all periods included in the measurement, unless otherwise specified:

	COFEHBP	PEBP
Method	Entry age normal	Entry age normal
General inflation	2.50%	2.50%
Salary increases	3.00% per year	N/A
Discount rate	2.66%	2.66%
Health care trend rates	5.40% for 2020, decreasing fluctuating down to 4% by 2075	5.40% for 2020, decreasing fluctuating down to 4% by 2075
Retirees' share of benefit - related costs	100% of premium	0% to 100% of premium amounts based on years of service

The discount rate for COFEHBP and PEBP was based on the S & P General Obligation Municipal Bond 20 Year High Grade Index.

For the COFEHBP and PEBP Plans, mortality rates for non-disabled male and female regular and safety members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table set forward one year. Mortality rates for all disabled were based on the Headcount-Weighted RP-2014 Employee Table set forward four years. Adjustments for mortality improvements were based on applying the MacLeod Watts Scale 2020 on a generational basis, based on data from the Society of Actuaries Mortality Improvement Scale MP-2019 Annual Report and the demographic assumptions used in the 2019 Annual Report of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published April 2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actual census data for June 30, 2019.

Changes in the Total OPEB Liability –

	<u>COFEHBP</u>	<u>PEBP</u>	<u>Total</u>
Balance at June 30, 2020	\$ 1,514,679	\$ 1,172,044	\$ 2,686,723
Changes for the Year			
Service cost	97,978	-	97,978
Interest	44,394	31,756	76,150
Changes in assumptions or other inputs	24,246	16,457	40,703
Benefit payments	(47,210)	(70,702)	(117,912)
Net Changes	<u>119,408</u>	<u>(22,489)</u>	<u>96,919</u>
Balance at June 30, 2021	<u>\$ 1,634,087</u>	<u>\$ 1,149,555</u>	<u>\$ 2,783,642</u>

Changes in Assumptions - COFEHBP and PEBP changes in assumptions and other inputs reflect a change in discount rate from 2.79 % to 2.66 %.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage lower (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
COFEHBP OPEB Liability	\$ 1,831,927	\$ 1,634,087	\$ 1,464,061
PEBP OPEB Liability	1,285,325	1,149,555	1,035,069
	<u>\$ 3,117,252</u>	<u>\$ 2,783,642</u>	<u>\$ 2,499,130</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage lower (4.30%) or 1-percentage-point higher (6.30%) than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
COFEHBP OPEB Liability	\$ 1,461,983	\$ 1,634,087	\$ 1,841,902
PEBP OPEB Liability	1,038,913	1,149,555	1,278,142
Total OPEB Liability	<u>\$ 2,500,896</u>	<u>\$ 2,783,642</u>	<u>\$ 3,120,044</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the City recognized OPEB expense (negative OPEB expense) of \$230,784:

COFEHBP	\$ 182,571
PEBP	48,213
	<u>\$ 230,784</u>

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	COFEHBP		PEBP		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions and other inputs	\$ 346,763	\$ -	\$ -	\$ -	\$ 346,763	\$ -
Contributions subsequent to the measurement date	52,462	-	60,022	-	112,484	-
	<u>\$ 399,225</u>	<u>\$ -</u>	<u>\$ 60,022</u>	<u>\$ -</u>	<u>\$ 459,247</u>	<u>\$ -</u>

The \$112,484 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	COFEHBP	PEBP	Total
2022	\$ (40,199)	\$ -	\$ (40,199)
2023	(40,199)	-	(40,199)
2024	(40,199)	-	(40,199)
2025	(40,199)	-	(40,199)
2026	(40,199)	-	(40,199)
Thereafter	(145,768)	-	(145,768)

The OPEB liability is paid from the fund responsible for the employees compensation with significant liabilities payable from the General Fund.

**Note 11 - Defined Benefit Pension Plan**

Plan Description – The City of Fallon contributes to the Public Employees’ Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees’ retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS 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 (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member’s highest average compensation in any 36 consecutive months with special provisions for members entering PERS 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 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% multiplier for all years of service. PERS 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 - 286.579.

Vesting – Regular members entering PERS 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 30 years of service. Regular members entering PERS 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 30 years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

Police/Fire members entering PERS 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 20 years of service, or at any age with 25 years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Police/Fire members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with 20 years of service, and at any age with 33 1/3 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 5 years of service.

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 selected, the member cannot convert to the Employee/Employer Contribution plan.

PERS' 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.

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

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

For the fiscal year ended June 30, 2021, the Statutory Employer/employee matching rates were 15.25% for Regular and 22.00% for Police/Fire. The Employer-pay contribution (EPC) rates were 29.25% for Regular and 42.50% for Police/Fire.

The City's contributions were \$1,220,521 for the year ended June 30, 2021.

PERS Investment Policy – PERS' policies which determine the investment portfolio target asset allocation are established by the PERS 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 PERS Board adopted policy target asset allocation as of June 30, 2021:

Asset Class	Target Allocation	Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.50%
Domestic Fixed Income	30%	0.75%
Private Markets	10%	6.65%

As of June 30, 2020, PERS' long-term inflation assumption was 2.75%. These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

Net Pension Liability – At June 30, 2021, the City reported a liability for its proportionate share of the net pension liability of \$15,488,462. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2020, the City's proportion was 0.11120 percent which was an increase of 0.00191 from its proportion measured as of June 30, 2019 of 0.10929 percent.

Pension Liability Discount Rate Sensitivity – The following presents the net pension liability of the City measured as of June 30, 2020, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$ 24,156,017	\$ 15,488,462	\$ 8,282,034

Pension Plan Fiduciary Net Position and Additional Information – Detailed information about the pension plan's fiduciary net position and additional information is available in the PERS Annual Comprehensive Financial Report, available on the PERS website.

Actuarial Assumptions – The City’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00%
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Mortality rates for healthy members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of six years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan’s fiduciary net position at June 30, 2020, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2021, the City recognized pension expense of \$1,559,672. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 481,215	\$ 199,994
Net difference between projected and actual earnings on pension plan investments	-	585,089
Changes in assumptions	435,054	-
Changes in the City's proportion and differences between the City's contributions and the employer's proportionate contributions	730,056	116,342
City contributions subsequent to the measurement date	1,220,521	-
	\$ 2,866,846	\$ 901,425

The \$1,220,521 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 6.13 years.

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

Year Ending June 30,		
2022		\$ (65,999)
2023		249,897
2024		270,577
2025		215,000
2026		68,903
Thereafter		6,522

The net pension liability is paid from the fund responsible for the employee's compensation with significant liabilities payable from the General Fund.

Additional Information – Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Annual Comprehensive Financial Report (ACFR) available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

**Note 12 - Deficit Net Position**

The following funds have a deficit net position/fund balance as of June 30, 2021:

Sanitation Enterprise Fund		\$ (130,610)
Public Works Internal Service Fund		(951,797)

**Note 13 - Tax Abatements**

For the fiscal year ended June 30, 2021, the City of Fallon's revenues were reduced by a total amount of \$63,183 under agreements entered into by the State of Nevada for partial abatement of one or more of property and local sales and use taxes imposed on renewable energy facilities.

**Note 14 - Commitments and Contingencies**

In late 1999, the City joined the Utah Associated Municipal Power Systems (UAMPS) and in early 2000 the City entered into an agreement with Sierra Pacific Power Company (now NV Energy) for the provision of transmission services. UAMPS provides scheduling and ancillary services to the City, which are included in the City's monthly UAMPS billings.

The City receives energy from several sources including market purchases, the Horse Butte Wind project, and the Cyrq Patua Geothermal and Solar Plant. The City's current market purchase contract, which was executed on April 22, 2014, began on April 1, 2017 with a term of 5 years. In August 2012, the Horse Butte Wind Project commenced commercial operation. The City has an entitlement share of approximately 3 MW of nameplate capacity of the Horse Butte Wind project, which is expected to remain in operation for the next 20 years. The City began receiving energy from Cyrq Patua Geothermal and Solar Plant in November 2018, with the City being entitled to up to 1 MW of geothermal and solar energy.

As a member of UAMPS, the City participates in the UAMPS power pool, which allows the City to buy energy from other UAMPS members during times of shortage and to sell energy to other UAMPS members during times of excess. For fiscal year 2021, the City's total UAMPS billings were \$5,461,909, total NV Energy transmission billings were \$682,626, and the City's total revenue generated from excess power sales through the UAMPS power pool was \$82,909.

On October 1, 2018, the City approved a contract for engineering services for the reconstruction and enhancement of portions of Front, Esmeralda, and Douglas Streets in the amount of \$365,300, \$304,087 was spent on this project as of June 30, 2021.

On May 4, 2020, the City approved a construction contract for the Fallon Municipal Airport Rehabilitation of Airport Pavement Project in the amount of \$589,000 to be paid for with grant funding, \$153,568 was spent on this project as of June 30, 2021.

On July 6, 2020, the City approved a construction contract for the Downtown Streetscape Improvements Phase IV Project in the amount of \$1,994,525, \$1,902,520 was spent on this project as of June 30, 2021.

On September 21, 2020, the City approved a construction contract for the Front Street Reconstruction Project in the amount of \$2,349,000, \$1,323,363 was spent on this project as of June 30, 2021.

On October 19, 2020, the City approved a construction contract to complete the 2020 Preventative Maintenance project in the amount of \$297,000, \$266,073 was spent on this project as of June 30, 2021.

On February 1, 2021, the City approved a contract for engineering services for the Relocation of Taxiway G project at the Fallon Municipal Airport project in the amount of \$60,000, \$3,643 was spent on this project as of June 30, 2021.

On May 17, 2021, the City approved a contract for design services for a new Fixed Base Operations Center at the Fallon Municipal Airport in the amount of \$104,758, \$2,437 was spent on this project as of June 30, 2021.

On May 17, 2021, the City approved a construction contract for the Fallon Municipal Airport Runway 3-21 Edge Light Replacement project in the amount of \$105,890. As of June 30, 2021, no funds have been spent on this project.

On June 7, 2021, the City approved a contract for administration support services for the Runway 3-21 Edge Light Replacement project in the amount of \$149,974. As of June 30, 2021, no funds have been spent on this project.

#### **Note 15 - Subsequent Events**

The City has evaluated subsequent events through DATE PENDING, which is the date these financial statements were available to be issued.

On August 16, 2021, the City approved a contract for engineering services for the reconstruction and enhancement of portions of Sherman and Broadway Streets in the amount of \$385,500.

On August 16, 2021, the City approved a contract for engineering services for the Rattlesnake Hill Water Tank Replacement project in the amount of \$497,500.

On November 15, 2021, the City Council approved a construction contract to complete the 2021 Preventative Maintenance project in the amount of \$344,007.

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual –  
General Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget to Actual
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
Ad valorem	\$ 1,445,000	\$ 1,494,245	\$ 1,525,325	\$ 31,080
One cent option	33,000	33,000	38,528	5,528
Regional streets reimbursements	-	512,338	575,873	63,535
Enterprise funds in lieu of taxes	989,748	989,748	1,099,701	109,953
<b>Total taxes</b>	<b>2,467,748</b>	<b>3,029,331</b>	<b>3,239,427</b>	<b>210,096</b>
<b>Licenses and permits</b>				
<b>Business licenses and permits</b>				
Business licenses and permits	250,000	250,000	276,954	26,954
Local liquor licenses	30,000	30,000	29,941	(59)
City gaming licenses	30,000	30,000	45,924	15,924
<b>Franchise taxes</b>				
Enterprise funds in lieu of franchise taxes	1,110,371	1,110,371	997,886	(112,485)
Natural gas	185,000	185,000	173,959	(11,041)
Cable television	90,000	90,000	82,834	(7,166)
	<b>1,695,371</b>	<b>1,695,371</b>	<b>1,607,498</b>	<b>(87,873)</b>
<b>Nonbusiness licenses and permits</b>				
Building permits	90,000	90,000	63,772	(26,228)
Electric permits	2,000	2,000	6,331	4,331
Miscellaneous permits	3,000	3,000	5,966	2,966
Plumbing permits	6,000	6,000	6,823	823
	<b>101,000</b>	<b>101,000</b>	<b>82,892</b>	<b>(18,108)</b>
<b>Total licenses and permits</b>	<b>1,796,371</b>	<b>1,796,371</b>	<b>1,690,390</b>	<b>(105,981)</b>
<b>Intergovernmental revenues</b>				
<b>Federal grants-in-aid</b>				
Federal Task Force Grant	-	-	20,430	20,430
CARES grant	-	1,508,755	1,509,555	800
CDBG	-	548,066	501,935	(46,131)
<b>Emergency management assistance</b>				
NDOT grant	28,083	28,083	28,083	-
Contributions from Churchill County	-	1,100,000	1,044,693	(55,307)
Contributions from Churchill County School District	-	100,000	100,000	-
	<b>-</b>	<b>135,000</b>	<b>150,391</b>	<b>15,391</b>
	<b>28,083</b>	<b>3,419,904</b>	<b>3,355,087</b>	<b>(64,817)</b>
<b>State shared revenues</b>				
State Perm School Fund	-	-	3,525	3,525
Motor vehicle tax (1.75)	40,000	40,000	45,633	5,633
Motor vehicle fuel tax (2.35)	79,000	79,000	79,073	73
State gaming licenses	131,235	131,235	112,757	(18,478)
Consolidated tax distribution	1,801,985	2,276,985	2,381,649	104,664
AB 104 fair share	265,945	330,945	356,725	25,780
State grant - Highway 95	-	50,050	50,050	-
State Marijuana Distribution	11,207	11,207	11,020	(187)
	<b>2,329,372</b>	<b>2,919,422</b>	<b>3,040,432</b>	<b>121,010</b>

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual –  
General Fund  
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget to Actual
	Original	Final		
Other local government shared revenue				
County gaming tax	\$ 67,000	\$ 67,000	\$ 96,244	\$ 29,244
Other local government grants				
Grant from Churchill County	43,765	43,765	43,765	-
Total intergovernmental	<u>2,468,220</u>	<u>6,450,091</u>	<u>6,535,528</u>	<u>85,437</u>
Charges for services				
General government				
Building and zoning fees	27,000	27,000	39,333	12,333
Enterprise funds administrative support	1,855,639	1,855,639	1,752,108	(103,531)
Land rent	24,000	24,000	24,000	-
Animal control fees	-	-	6,140	6,140
Other assessments and fees	17,000	17,000	13,686	(3,314)
	<u>1,923,639</u>	<u>1,923,639</u>	<u>1,835,267</u>	<u>(88,372)</u>
Public safety				
County reimbursement for Fire department expenses	175,000	175,000	195,238	20,238
Judicial				
Reimbursement for Judicial District No. 3 for juvenile court master	21,000	21,000	25,703	4,703
Culture and recreation				
Swimming pool concession	20,000	20,000	17,261	(2,739)
Swimming pool fees	28,000	28,000	16,385	(11,615)
Gym use fees	14,000	14,000	3,231	(10,769)
	<u>62,000</u>	<u>62,000</u>	<u>36,877</u>	<u>(25,123)</u>
Total charges for services	<u>2,181,639</u>	<u>2,181,639</u>	<u>2,093,085</u>	<u>(88,554)</u>
Fines and forfeits				
Court fines and forfeited bail	111,000	111,000	76,524	(34,476)
Miscellaneous				
Investment income	-	-	2,699	2,699
Miscellaneous	60,000	60,000	(24)	(60,024)
Total miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>2,675</u>	<u>(57,325)</u>
Total revenues	<u>9,084,978</u>	<u>13,628,432</u>	<u>13,637,629</u>	<u>9,197</u>

City of Fallon, Nevada  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual –  
General Fund  
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget to Actual
	Original	Final		
<b>Expenditures</b>				
General government and administration				
Executive				
Mayor and chief of staff				
Salaries and wages	\$ 67,026	\$ 71,026	\$ 68,236	\$ 2,790
Employee benefits	39,263	39,263	39,001	262
Services and supplies	7,000	7,000	6,105	895
	<u>113,289</u>	<u>117,289</u>	<u>113,342</u>	<u>3,947</u>
Legislative				
City council				
Salaries and wages	66,442	66,442	66,436	6
Employee benefits	40,891	40,891	32,012	8,879
Services and supplies	1,750	1,750	862	888
	<u>109,083</u>	<u>109,083</u>	<u>99,310</u>	<u>9,773</u>
Administrative				
Salaries and wages	508,393	593,393	586,614	6,779
Employee benefits	260,890	310,890	305,503	5,387
Services and supplies	135,929	150,929	137,134	13,795
	<u>905,212</u>	<u>1,055,212</u>	<u>1,029,251</u>	<u>25,961</u>
City hall				
Services and supplies	108,177	108,177	83,124	25,053
Capital outlay	-	-	39,150	(39,150)
	<u>108,177</u>	<u>108,177</u>	<u>122,274</u>	<u>(14,097)</u>
General expenditures				
Services and supplies	468,308	1,668,358	1,785,458	(117,100)
Capital outlay	100,000	100,000	-	100,000
	<u>568,308</u>	<u>1,768,358</u>	<u>1,785,458</u>	<u>(17,100)</u>
Total general government and administration	<u>1,804,069</u>	<u>3,158,119</u>	<u>3,149,635</u>	<u>8,484</u>
Judicial				
City attorney				
Salaries and wages	337,868	345,868	337,243	8,625
Employee benefits	157,754	157,754	158,208	(454)
Services and supplies	126,000	156,000	160,721	(4,721)
	<u>621,622</u>	<u>659,622</u>	<u>656,172</u>	<u>3,450</u>
Municipal court				
Salaries and wages	227,390	237,390	231,983	5,407
Employee benefits	108,715	118,715	110,506	8,209
Services and supplies	58,200	38,200	19,979	18,221
	<u>394,305</u>	<u>394,305</u>	<u>362,468</u>	<u>31,837</u>
Total judicial	<u>1,015,927</u>	<u>1,053,927</u>	<u>1,018,640</u>	<u>35,287</u>
Public safety				
Police department				
Salaries and wages	2,488,075	2,883,075	2,854,161	28,914
Employee benefits	1,471,557	1,670,057	1,651,497	18,560
Services and supplies	507,794	437,794	356,963	80,831
Capital outlay	104,685	104,685	28,812	75,873
	<u>4,572,111</u>	<u>5,095,611</u>	<u>4,891,433</u>	<u>204,178</u>

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual –  
General Fund  
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget to Actual
	Original	Final		
Fire department				
Salaries and wages	\$ 236,480	\$ 236,480	\$ 224,217	\$ 12,263
Employee benefits	337,238	337,238	331,807	5,431
Services and supplies	230,000	180,000	196,165	(16,165)
Capital outlay	-	-	11,991	(11,991)
	<u>803,718</u>	<u>753,718</u>	<u>764,180</u>	<u>(10,462)</u>
Civil defense				
Salaries and wages	46,734	46,734	45,690	1,044
Employee benefits	4,974	4,974	5,183	(209)
Services and supplies	3,000	3,000	1,990	1,010
	<u>54,708</u>	<u>54,708</u>	<u>52,863</u>	<u>1,845</u>
Task force				
Salaries and Wages	5,000	5,000	3,026	1,974
Services and supplies	-	-	407	(407)
	<u>5,000</u>	<u>5,000</u>	<u>3,433</u>	<u>1,567</u>
Total public safety	<u>5,435,537</u>	<u>5,909,037</u>	<u>5,711,909</u>	<u>197,128</u>
Public works				
Street department				
Services and supplies	100,000	122,000	420,724	(298,724)
Capital outlay	100,000	2,650,404	2,324,808	325,596
Total public works	<u>200,000</u>	<u>2,772,404</u>	<u>2,745,532</u>	<u>26,872</u>
Culture and recreation				
Parks department				
Salaries and wages	436,618	436,618	427,746	8,872
Employee benefits	176,094	176,094	184,110	(8,016)
Services and supplies	372,685	372,685	327,583	45,102
Total culture and recreation	<u>985,397</u>	<u>985,397</u>	<u>939,439</u>	<u>45,958</u>
Debt service				
Principal retirement	-	-	4,485	(4,485)
Interest expense	-	-	795	(795)
Total debt service	<u>-</u>	<u>-</u>	<u>5,280</u>	<u>(5,280)</u>
Total expenditures	<u>9,440,930</u>	<u>13,878,884</u>	<u>13,570,435</u>	<u>308,449</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(355,952)</u>	<u>(250,452)</u>	<u>67,194</u>	<u>317,646</u>
Other Financing Sources (Uses)				
Transfers in	34,000	34,000	-	(34,000)
Transfers out	(138,679)	(244,179)	(186,870)	57,309
Proceed from medium - term obligation	-	-	358,800	358,800
Total other financing sources (uses)	<u>(104,679)</u>	<u>(210,179)</u>	<u>171,930</u>	<u>382,109</u>
Net Change in Fund Balances	<u>(460,631)</u>	<u>(460,631)</u>	<u>239,124</u>	<u>699,755</u>
Fund Balance, Beginning of Year	<u>1,091,639</u>	<u>1,091,639</u>	<u>1,188,291</u>	<u>96,652</u>
Fund Balance, End of Year	<u>\$ 631,008</u>	<u>\$ 631,008</u>	<u>\$ 1,427,415</u>	<u>\$ 796,407</u>

	General Fund (Budgetary Basis)	Internally Reported Funds			
		Parking Lot Fund	Secured Freight Yard Fund	Drug Forfeiture Fund	Unemployment Compensation Fund
<b>Revenues</b>					
Taxes					
Ad valorem	\$ 1,525,325	\$ -	\$ -	\$ -	\$ -
Other	1,714,102	-	-	-	-
Charges for services	2,093,085	-	28,272	-	-
Intergovernmental	6,535,528	-	-	-	-
Licenses and permits	1,690,390	-	-	-	-
Fines and forfeitures	76,524	-	-	-	-
Miscellaneous					
Investment income	2,699	-	-	-	-
Other	(24)	-	-	-	-
<b>Total revenues</b>	<b>13,637,629</b>	<b>-</b>	<b>28,272</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>					
Current					
General government and administration	3,110,485	-	-	-	-
Judicial	1,018,640	-	-	-	-
Public safety	5,671,106	-	-	-	-
Public works	420,724	-	-	-	-
Culture and recreation	939,439	-	-	-	-
Community support	-	-	-	-	-
Capital outlay					
General government and administration	39,150	-	-	-	-
Judicial	-	-	-	-	-
Public safety	40,803	-	-	-	-
Public works	2,324,808	-	-	-	-
Community support	-	-	-	-	-
Debt service					
Principal retirement	4,485	-	-	-	-
Interest expense	795	-	-	-	-
<b>Total expenditures</b>	<b>13,570,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,194	-	28,272	-	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	(186,870)	-	-	-	-
Proceeds from medium - term obligation	358,800	-	-	-	-
<b>Total other financing         sources</b>	<b>171,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	239,124	-	28,272	-	-
Fund Balances, Beginning of Year	1,188,291	8,025	12,288	1,663	409
Fund Balances, End of Year	\$ 1,427,415	\$ 8,025	\$ 40,560	\$ 1,663	\$ 409



City of Fallon, Nevada

Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) Schedule of Revenues,  
Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2021

Internally Reported Funds						Eliminations	General Fund as Reported on Statement of Revenues, Expenditures and Changes in Fund Balances (GAAP Basis)
Convention Center Fund	Compensated Absence Fund	Fire Truck Reserve Fund	Mayor's Youth Fund	Mayor's Century Fund	Martin Vusich Self-Sustaining Centennial Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,525,325
-	-	-	-	-	-	-	1,714,102
3,742	-	-	-	-	-	-	2,125,099
1,390	-	-	-	-	-	-	6,536,918
-	-	-	-	-	-	-	1,690,390
-	-	-	-	-	-	-	76,524
-	-	-	-	-	1	-	2,700
-	-	-	29,159	-	-	-	29,135
5,132	-	-	29,159	-	1	-	13,700,193
-	-	-	13,429	-	-	-	3,123,914
-	-	-	-	-	-	-	1,018,640
-	-	-	-	-	-	-	5,671,106
-	-	-	-	-	-	-	420,724
405,309	-	-	-	-	-	-	939,439
-	-	-	-	-	-	-	405,309
-	-	-	-	-	-	-	39,150
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	40,803
7,975	-	-	-	-	-	-	2,324,808
-	-	-	-	-	-	-	7,975
-	-	-	-	-	-	-	4,485
-	-	-	-	-	-	-	795
413,284	-	-	13,429	-	-	-	13,997,148
(408,152)	-	-	15,730	-	1	-	(296,955)
400,000	-	-	-	-	-	-	400,000
-	-	-	-	-	-	-	(186,870)
-	-	-	-	-	-	-	358,800
400,000	-	-	-	-	-	-	571,930
(8,152)	-	-	15,730	-	1	-	274,975
163,396	25	161	39,420	1,998	7,973	-	1,423,649
<u>\$ 155,244</u>	<u>\$ 25</u>	<u>\$ 161</u>	<u>\$ 55,150</u>	<u>\$ 1,998</u>	<u>\$ 7,974</u>	<u>\$ -</u>	<u>\$ 1,698,624</u>

**Note 1 - Internally Reported (Budgetary Basis) Funds**

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

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

These internally reported funds of the City (Parking Lot Fund, Secured Freight Yard Fund, Drug Forfeiture Fund, Unemployment Compensation Fund, Convention Center Fund, Compensated Absence Fund, Fire Truck Reserve Fund, Mayor's Youth Fund, Mayor's Century Fund, and Martin Vusich Self-Sustaining Centennial Fund) are combined with the General Fund for external reporting purposes.

Draft

City of Fallon, Nevada  
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – City of Fallon Employee Health  
Benefit Plan (COFEHBP)  
June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 97,978	\$ 68,978	\$ 64,390	\$ 67,663
Interest	44,394	32,044	30,964	26,095
Difference between expected and actual experience	-	267,947	-	-
Changes of assumptions or other inputs	24,246	155,462	16,077	(46,319)
Benefit payments	(47,210)	(32,179)	(27,745)	(29,438)
Net Change in Total OPEB Liability	119,408	492,252	83,686	18,001
Total OPEB Liability, July 1	1,514,679	1,022,427	938,741	920,740
Total OPEB Liability, June 30	<u>\$ 1,634,087</u>	<u>\$ 1,514,679</u>	<u>\$ 1,022,427</u>	<u>\$ 938,741</u>
Covered-Employee Payroll	\$ 7,418,849	\$ 7,136,089	\$ 6,489,134	\$ 6,283,621
Total OPEB Liability as a Percentage of Covered-Employee Payroll	22.03%	21.23%	15.76%	14.94%

Notes to Schedule:

Changes of Assumptions: In 2021, there was change in discount rate from 2.79% to 2.66%.

In 2020, changes of assumptions and other inputs reflect an increase in participation rates from 25% to 35% and a change in discount rate from 2.98% to 2.79%.

In 2019, there was a change in discount rate from 3.13% to 2.98%.

The City adopted GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. Information is not available prior to that time.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

City of Fallon, Nevada  
 Schedule of Changes in the City's Total OPEB Liability and Related Ratios –State of Nevada Public Employee's  
 Benefit Plan (PEBP)  
 June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Interest	\$ 31,756	\$ 28,772	\$ 27,395	\$ 25,914
Difference between expected and actual experience	-	64,237	-	-
Changes of assumptions or other inputs	16,457	149,519	137,191	(42,387)
Benefit payments	<u>(70,702)</u>	<u>(71,950)</u>	<u>(76,741)</u>	<u>(73,725)</u>
Net Change in Total OPEB Liability	(22,489)	170,578	87,845	(90,198)
Total OPEB Liability, July 1	<u>1,172,044</u>	<u>1,001,466</u>	<u>913,621</u>	<u>1,003,819</u>
Total OPEB Liability, June 30	<u>\$ 1,149,555</u>	<u>\$ 1,172,044</u>	<u>\$ 1,001,466</u>	<u>\$ 913,621</u>
Covered-Employee Payroll	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes of Assumptions: In 2021, there was change in discount rate from 2.79% to 2.66%.

In 2020, changes of assumptions and other inputs reflect updated mortality assumptions and a change in discount rate from 2.98% to 2.79%.

In 2019, there was a change in discount rate from 3.13% to 2.98%.

Covered-employee payroll is not applicable (N/A) as PEBP is a closed plan and has no covered-employee payroll.

The City adopted GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. Information is not available prior to that time.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

City of Fallon, Nevada  
 Schedule of the City's Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Ten Fiscal Years\*

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.10105%	\$ 10,530,567	\$ 4,810,566	218.90%	76.30%
2015	0.10841%	12,011,007	5,122,504	234.48%	75.13%
2016	0.10571%	14,226,075	5,364,398	265.19%	72.23%
2017	0.10488%	13,949,259	5,642,407	247.22%	74.42%
2018	0.10609%	14,467,890	6,044,815	239.34%	74.40%
2019	0.10929%	14,902,701	6,960,975	214.09%	74.46%
2020	0.11120%	15,488,462	7,253,341	213.54%	77.04%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Fallon, Nevada  
 Schedule of City Contributions  
 Public Employees' Retirement System (PERS)  
 Last Ten Fiscal Years\*

Fiscal Year Ending	Statutorily Required Contribution **	Contributions in Relation to the Statutorily Required Contribution**	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 806,354	\$ 806,354	\$ -	\$ 5,122,504	15.74%
2016	898,775	898,775	-	5,364,398	16.75%
2017	941,075	941,075	-	5,642,407	16.68%
2018	984,537	984,537	-	6,044,815	16.29%
2019	1,054,692	1,054,692	-	6,960,975	15.15%
2020	1,159,860	1,159,860	-	7,253,341	15.99%
2021	1,220,521	1,220,521	-	7,542,900	16.18%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

\*\* All contributions shown reflect employer-paid contributions only. Member contributions are excluded.

Supplementary Information  
City of Fallon, Nevada

Draft

	General Fund (Budgetary Basis)	Internally Reported Funds			
		Parking Lot Fund	Secured Freight Yard Fund	Drug Forfeiture Fund	Unemployment Compensation Fund
<b>Assets</b>					
Cash and investments	\$ 715,930	\$ 8,025	\$ 40,560	\$ 1,663	\$ 409
Due from other governments	1,205,712	-	-	-	-
Due from other funds	13,627	-	-	-	-
Receivables, net of allowances for uncollectible accounts (where applicable)					
Taxes	13,718	-	-	-	-
Accounts	64,914	-	-	-	-
Grant	1,576,691	-	-	-	-
Prepaid expenses	36,382				
Restricted assets					
Cash and investments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,626,974</b>	<b>\$ 8,025</b>	<b>\$ 40,560</b>	<b>\$ 1,663</b>	<b>\$ 409</b>
<b>Liabilities</b>					
Accounts payable	\$ 1,875,471	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	310,128	-	-	-	-
Due to other governments	3,707	-	-	-	-
<b>Total liabilities</b>	<b>2,189,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	10,253	-	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,199,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Nonspendable	36,382	-	-	-	-
Restricted	39,855	-	-	-	-
Committed	-	8,025	40,560	1,663	409
Assigned for subsequent year operations	802,914	-	-	-	-
Unassigned	548,264	-	-	-	-
<b>Total fund balances</b>	<b>1,427,415</b>	<b>8,025</b>	<b>40,560</b>	<b>1,663</b>	<b>409</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,626,974</b>	<b>\$ 8,025</b>	<b>\$ 40,560</b>	<b>\$ 1,663</b>	<b>\$ 409</b>



City of Fallon, Nevada  
 Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis)  
 Combining Balance Sheet  
 June 30, 2021

Internally Reported Funds						General Fund as Reported on Balance Sheet (GAAP Basis)
Convention Center Fund	Compensated Absence Fund	Fire Truck Reserve Fund	Mayor's Youth Fund	Mayor's Century Fund	Martin Vusich Self-Sustaining Centennial Fund	
\$ 205,659	\$ 25	\$ 161	\$ 55,150	\$ 1,998	\$ -	\$ 1,029,580
-	-	-	-	-	-	1,205,712
-	-	-	-	-	-	13,627
-	-	-	-	-	-	13,718
-	-	-	-	-	-	64,914
-	-	-	-	-	-	1,576,691
-	-	-	-	-	-	36,382
-	-	-	-	-	7,974	7,974
<u>\$ 205,659</u>	<u>\$ 25</u>	<u>\$ 161</u>	<u>\$ 55,150</u>	<u>\$ 1,998</u>	<u>\$ 7,974</u>	<u>\$ 3,948,598</u>
\$ 18,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,893,704
32,182	-	-	-	-	-	342,310
-	-	-	-	-	-	3,707
<u>50,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,239,721</u>
-	-	-	-	-	-	10,253
<u>50,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,249,974</u>
-	-	-	-	-	-	36,382
-	-	-	-	-	7,974	47,829
155,244	25	161	55,150	1,998	-	263,235
-	-	-	-	-	-	802,914
-	-	-	-	-	-	548,264
<u>155,244</u>	<u>25</u>	<u>161</u>	<u>55,150</u>	<u>1,998</u>	<u>7,974</u>	<u>1,698,624</u>
<u>\$ 205,659</u>	<u>\$ 25</u>	<u>\$ 161</u>	<u>\$ 55,150</u>	<u>\$ 1,998</u>	<u>\$ 7,974</u>	<u>\$ 3,948,598</u>

	Special Revenue Funds			Debt Service Fund
	Convention and Tourism Authority Fund	Airport Fund	Totals	
<b>Assets</b>				
Cash and investments	\$ 494,950	\$ 345,552	\$ 840,502	\$ -
Due from other governments	-	75	75	-
Receivables, net of allowances for uncollectible (where applicable)				
Accounts	89,797	-	89,797	-
Assessments	-	-	-	4,800
Grants	-	153,568	153,568	-
<b>Total assets</b>	<b>\$ 584,747</b>	<b>\$ 499,195</b>	<b>\$ 1,083,942</b>	<b>\$ 4,800</b>
<b>Liabilities</b>				
Accounts payable	\$ 8,531	\$ 36,423	\$ 44,954	\$ -
Due to other governments	3,682	-	3,682	-
Unearned revenue	-	-	-	4,800
<b>Total liabilities</b>	<b>12,213</b>	<b>36,423</b>	<b>48,636</b>	<b>4,800</b>
<b>Fund Balances</b>				
Restricted				
Capital projects	-	-	-	-
Committed	572,534	462,772	1,035,306	-
<b>Total fund balances</b>	<b>572,534</b>	<b>462,772</b>	<b>1,035,306</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 584,747</b>	<b>\$ 499,195</b>	<b>\$ 1,083,942</b>	<b>\$ 4,800</b>

City of Fallon, Nevada  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2021

Capital Project Funds			
Land Reserve and Park Acquisition and Development Capital Projects Fund	Special Ad Valorem Capital Projects Fund	Totals	Total Nonmajor Governmental Funds
\$ 17,991	\$ 214,237	\$ 232,228	\$ 1,072,730
-	9,020	9,020	9,095
-	-	-	89,797
-	-	-	4,800
-	-	-	153,568
<u>\$ 17,991</u>	<u>\$ 223,257</u>	<u>\$ 241,248</u>	<u>\$ 1,329,990</u>
\$ -	\$ -	\$ -	\$ 44,954
-	-	-	3,682
-	-	-	4,800
-	-	-	53,436
17,991	223,257	241,248	241,248
-	-	-	1,035,306
<u>17,991</u>	<u>223,257</u>	<u>241,248</u>	<u>1,276,554</u>
<u>\$ 17,991</u>	<u>\$ 223,257</u>	<u>\$ 241,248</u>	<u>\$ 1,329,990</u>

	Special Revenue Funds			Debt Service Fund
	Convention and Tourism Authority Fund	Airport Fund	Totals	
Revenues				
Taxes				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Occupancy tax	690,791	-	690,791	-
Residential park construction tax	-	-	-	-
Charges for services	-	31,717	31,717	-
Intergovernmental	30,250	793,659	823,909	-
Total revenues	<u>721,041</u>	<u>825,376</u>	<u>1,546,417</u>	<u>-</u>
Expenditures				
Current				
Public works	-	52,336	52,336	-
Community support	134,760	-	134,760	-
Capital outlay				
Public works	-	799,437	799,437	-
Debt service				
Principal retirement	-	3,845	3,845	56,304
Interest and fiscal charges	-	681	681	5,566
Total expenditures	<u>134,760</u>	<u>856,299</u>	<u>991,059</u>	<u>61,870</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>586,281</u>	<u>(30,923)</u>	<u>555,358</u>	<u>(61,870)</u>
Other Financing Sources (Uses)				
Proceeds from medium-term obligation	-	307,600	307,600	-
Transfer in	-	125,000	125,000	61,870
Transfers out	(400,000)	-	(400,000)	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>432,600</u>	<u>32,600</u>	<u>61,870</u>
Net Change in Fund Balances	186,281	401,677	587,958	-
Fund Balances, Beginning of Year	<u>386,253</u>	<u>61,095</u>	<u>447,348</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 572,534</u>	<u>\$ 462,772</u>	<u>\$ 1,035,306</u>	<u>\$ -</u>

City of Fallon, Nevada  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2021

Capital Project Funds			
Land Reserve and Park Acquisitions and Development Capital Projects Fund	Special Ad Valorem Capital Projects Fund	Totals	Total Nonmajor Governmental Funds
\$ -	\$ 86,414	\$ 86,414	\$ 86,414
-	-	-	690,791
2,906	-	2,906	2,906
-	-	-	31,717
-	-	-	823,909
<u>2,906</u>	<u>86,414</u>	<u>89,320</u>	<u>1,635,737</u>
-	-	-	52,336
-	-	-	134,760
-	-	-	799,437
-	-	-	60,149
-	-	-	6,247
-	-	-	1,052,929
<u>2,906</u>	<u>86,414</u>	<u>89,320</u>	<u>582,808</u>
-	-	-	307,600
-	-	-	186,870
-	-	-	(400,000)
-	-	-	94,470
2,906	86,414	89,320	677,278
<u>15,085</u>	<u>136,843</u>	<u>151,928</u>	<u>599,276</u>
<u>\$ 17,991</u>	<u>\$ 223,257</u>	<u>\$ 241,248</u>	<u>\$ 1,276,554</u>

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual –  
Convention and Tourism Authority Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes			
Occupancy tax	\$ 698,000	\$ 690,791	\$ (7,209)
Intergovernmental revenue			
State grant	<u>17,500</u>	<u>30,250</u>	<u>12,750</u>
Total revenues	<u>715,500</u>	<u>721,041</u>	<u>5,541</u>
Expenditures			
Community support			
Services and supplies	<u>450,000</u>	<u>134,760</u>	<u>315,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>265,500</u>	<u>586,281</u>	<u>320,781</u>
Other Financing Sources (Uses)			
Transfers out	<u>(530,524)</u>	<u>(400,000)</u>	<u>130,524</u>
Net Change in Fund Balance	(265,024)	186,281	451,305
Fund Balance, Beginning of Year	<u>344,561</u>	<u>386,253</u>	<u>41,692</u>
Fund Balance, End of Year	<u>\$ 79,537</u>	<u>\$ 572,534</u>	<u>\$ 492,997</u>

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual –  
 Airport Fund  
 Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services			
Lease fees	\$ 40,000	\$ 31,717	\$ (8,283)
Intergovernmental revenue			
Fuel taxes	400	302	(98)
Federal grants			
Airport Improvement Program	793,357	793,357	-
Total revenues	<u>833,757</u>	<u>825,376</u>	<u>(8,381)</u>
Expenditures			
Public works			
Services and supplies	50,000	52,336	(2,336)
Capital outlay	938,357	799,437	138,920
Debt service			
Principal retirement	-	3,845	(3,845)
Interest and fiscal charges	-	681	(681)
Total expenditures	<u>988,357</u>	<u>856,299</u>	<u>132,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(154,600)</u>	<u>(30,923)</u>	<u>123,677</u>
Other Financing Sources (Uses)			
Proceeds from medium-term obligation	-	307,600	307,600
Transfers in	175,000	125,000	(50,000)
Transfer out	(5,000)	-	5,000
	<u>170,000</u>	<u>432,600</u>	<u>262,600</u>
Net Change in Fund Balance	15,400	401,677	386,277
Fund Balance, Beginning of Year	<u>7,151</u>	<u>61,095</u>	<u>53,944</u>
Fund Balance, End of Year	<u>\$ 22,551</u>	<u>\$ 462,772</u>	<u>\$ 440,221</u>

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual –  
Debt Service Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt service			
Principal retirement	56,304	56,304	-
Interest and fiscal charges	5,875	5,566	309
Total expenditures	<u>62,179</u>	<u>61,870</u>	<u>309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,179)	(61,870)	309
Other Financing Sources (Uses)			
Transfers in	<u>62,179</u>	<u>61,870</u>	<u>(309)</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual –  
Land Reserve and Park Acquisitions and Development Capital Projects Fund  
Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes			
Residential park construction fees	\$ -	\$ 2,906	\$ 2,906
Expenditures			
Culture and recreation			
Capital outlay	-	-	-
Net Change in Fund Balance	-	2,906	2,906
Fund Balance, Beginning of Year	<u>14,460</u>	<u>15,085</u>	<u>625</u>
Fund Balance, End of Year	<u>\$ 14,460</u>	<u>\$ 17,991</u>	<u>\$ 3,531</u>

Draft

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual –  
Special Ad Valorem Capital Projects Fund  
Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes			
Ad valorem taxes	<u>\$ 90,000</u>	<u>\$ 86,414</u>	<u>\$ (3,586)</u>
Expenditures			
Public safety			
Capital outlay	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Net Change in Fund Balance	-	86,414	86,414
Fund Balance, Beginning of Year	<u>-</u>	<u>136,843</u>	<u>136,843</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ 223,257</u></u>	<u><u>\$ 223,257</u></u>

Draft

City of Fallon, Nevada  
Combining Statement of Net Position – Nonmajor Proprietary Funds  
June 30, 2021

	Nonmajor Enterprise Funds		
	Landfill	Water Treatment Replacement	Total
<b>Assets</b>			
Current assets			
Cash and investments	\$ 1,067,553	\$ -	\$ 1,067,553
Accounts receivable, net of allowance for doubtful accounts	218,800	-	218,800
Total current assets	1,286,353	-	1,286,353
Noncurrent assets			
Restricted assets			
Cash and investments	-	685,378	685,378
Capital assets			
Land and construction in progress	196,252	-	196,252
Other capital assets, net of depreciation	835,688	-	835,688
Total noncurrent assets	1,031,940	685,378	1,717,318
Total assets	2,318,293	685,378	3,003,671
Deferred Outflows of Resources			
Deferred outflows related to other postemployment benefits	10,898	-	10,898
Deferred outflows related to pension	50,464	-	50,464
Total deferred outflows of resources	61,362	-	61,362

City of Fallon, Nevada  
Combining Statement of Net Position – Nonmajor Proprietary Funds  
June 30, 2021

	Nonmajor Enterprise Funds		
	Landfill	Water Treatment Replacement	Total
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 38,076	\$ -	\$ 38,076
Accrued payroll and related liabilities	12,731	-	12,731
Accrued interest payable	231	-	231
Current portion of compensated absences	6,063	-	6,063
Current maturities of long-term debt	5,691	-	5,691
<b>Total current liabilities</b>	<b>62,792</b>	<b>-</b>	<b>62,792</b>
<b>Noncurrent liabilities</b>			
Other postemployment benefits liability	58,067	-	58,067
Net pension liability	295,512	-	295,512
Compensated absences, net of current portion	5,085	-	5,085
Estimated liability for landfill closure and postclosure care costs	1,220,000	-	1,220,000
Capital lease payable, net of current portion	-	-	-
Bonds payable, net of current portion	52,844	-	52,844
<b>Total noncurrent liabilities</b>	<b>1,631,508</b>	<b>-</b>	<b>1,631,508</b>
<b>Total liabilities</b>	<b>1,694,300</b>	<b>-</b>	<b>1,694,300</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	9,310	-	9,310
<b>Net Position</b>			
Net investment in capital assets	973,405	-	973,405
Restricted for capital projects	-	685,378	685,378
Unrestricted (deficit)	(297,360)	-	(297,360)
<b>Total net position</b>	<b>\$ 676,045</b>	<b>\$ 685,378</b>	<b>\$ 1,361,423</b>

City of Fallon, Nevada

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary Funds

Year Ended June 30, 2021

---

	Nonmajor Enterprise Funds		
	Landfill	Water Treatment Replacement	Total
Operating Revenues			
Charges for services	\$ 1,587,790	\$ -	\$ 1,587,790
Operating Expenses			
Salaries and wages	221,177	-	221,177
Employee benefits	135,750	-	135,750
Services and supplies	529,929	-	529,929
Depreciation	105,935	-	105,935
Data processing use fee	10,800	-	10,800
Public works use fee	72,000	-	72,000
In lieu of taxes and franchise taxes	108,886	-	108,886
General fund administrative support	122,652	-	122,652
Total operating expenses	1,307,129	-	1,307,129
Operating Income (Loss)	280,661	-	280,661
Nonoperating Revenues (Expenses)			
Interest expense	(581)	-	(581)
Income before Transfers	280,080	-	280,080
Transfers in	-	41,772	41,772
Change in Net Position	280,080	41,772	321,852
Net Position, Beginning of Year	395,965	643,606	1,039,571
Net Position, End of Year	\$ 676,045	\$ 685,378	\$ 1,361,423

City of Fallon, Nevada  
Combining Statement of Cash Flows – Nonmajor Proprietary Funds  
Year Ended June 30, 2021

	Nonmajor Enterprise Funds		
	Landfill	Water Treatment Replacement	Total
Operating Activities			
Cash received from customers	\$ 1,540,034	\$ -	\$ 1,540,034
Cash payments to suppliers for goods and services	(554,930)	-	(554,930)
Cash payments to employees for services	(219,864)	-	(219,864)
Cash paid to other funds for services	(231,538)	-	(231,538)
Net Cash from Operating Activities	<u>533,702</u>	<u>-</u>	<u>533,702</u>
Noncapital Financing Activities			
Repayments on interfund advances	(17,366)	-	(17,366)
Transfers to other funds	-	41,772	41,772
Net Cash from (used for) Noncapital Financing Activities	<u>(17,366)</u>	<u>41,772</u>	<u>24,406</u>
Capital and Related Financing Activities			
Proceeds from issuance of debt	59,276	-	59,276
Principal payments on debt	(7,987)	-	(7,987)
Interest paid on debt	(447)	-	(447)
Net Cash from Capital and Related Financing Activities	<u>50,842</u>	<u>-</u>	<u>50,842</u>
Net Change in Cash and Cash Equivalents	567,178	41,772	608,950
Cash and Cash Equivalents, Beginning of Year	<u>500,375</u>	<u>643,606</u>	<u>1,143,981</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,067,553</u>	<u>\$ 685,378</u>	<u>\$ 1,752,931</u>

City of Fallon, Nevada  
Combining Statement of Cash Flows – Nonmajor Proprietary Funds  
Year Ended June 30, 2021

	Nonmajor Enterprise Funds		
	Landfill	Water Treatment Replacement	Total
Reconciliation of Operating Income (Loss) to Net Cash From (Used For) Operating Activities			
Operating income (loss)	\$ 280,661	\$ -	\$ 280,661
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Depreciation	105,935	-	105,935
Pension contributions	(26,027)	-	(26,027)
Pension expense	33,281	-	33,281
OPEB expense	3,348	-	3,348
Change in			
Accounts receivable	(47,757)	-	(47,757)
Accounts payable	15,445	-	15,445
Landfill closure costs	165,000	-	165,000
Accrued payroll and related liabilities	1,313	-	1,313
Compensated absences	2,503	-	2,503
<b>Net Cash from Operating Activities</b>	<b>\$ 533,702</b>	<b>\$ -</b>	<b>\$ 533,702</b>
Reconciliation of Total Cash and Cash Equivalents			
Current assets - cash and investments	\$ 1,067,553	\$ -	\$ 1,067,553
Restricted assets - cash and investments	-	685,378	685,378
<b>Total cash and cash equivalents</b>	<b>\$ 1,067,553</b>	<b>\$ 685,378</b>	<b>\$ 1,752,931</b>

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Electric Enterprise Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Charges for services	\$ 11,100,000	\$ 11,328,706	\$ 228,706
Operating grants	-	259,024	259,024
Total operating revenues	<u>11,100,000</u>	<u>11,587,730</u>	<u>487,730</u>
Operating Expenses			
Salaries and wages	595,714	541,691	54,023
Employee benefits	277,816	228,112	49,704
Services and supplies	1,000,000	1,067,339	(67,339)
Electric energy purchased	5,546,973	6,428,188	(881,215)
Depreciation	500,000	514,296	(14,296)
Data processing use fee	72,200	72,000	200
Public works use fee	456,000	480,000	(24,000)
In lieu of taxes and franchise taxes	834,542	798,385	36,157
General Fund administrative support	1,094,827	998,700	96,127
Total operating expenses	<u>10,378,072</u>	<u>11,128,711</u>	<u>(750,639)</u>
Operating Income (Loss)	<u>721,928</u>	<u>459,019</u>	<u>(262,909)</u>
Nonoperating Revenues (Expenses)			
Investment income	100,000	23,448	(76,552)
Economic development	(150,000)	(124,177)	25,823
Quality of life promotion	(400,000)	(181,034)	218,966
Transfer out - capital assets	-	(7,433,080)	(7,433,080)
Bond issuance costs	-	(20,878)	(20,878)
Interest expense	(176,934)	(135,362)	41,572
Total nonoperating revenues (expenses)	<u>(626,934)</u>	<u>(7,871,083)</u>	<u>(7,244,149)</u>
Income (Loss) Before Capital Contributions and Transfers	94,994	(7,412,064)	(7,507,058)
Capital Contributions	-	44,070	44,070
Change in Net Position	<u>\$ 94,994</u>	<u>(7,367,994)</u>	<u>\$ (7,462,988)</u>
Net Position, Beginning of Year		<u>16,460,720</u>	
Net Position, End of Year		<u>\$ 9,092,726</u>	



City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Water Enterprise Fund  
Year Ended June 30, 2021

	Budgeted	Actual	Variance
Operating Revenues			
Charges for services	\$ 1,600,000	\$ 1,616,639	\$ 16,639
Operating grant	-	24,919	24,919
<b>Total operating revenues</b>	<b>1,600,000</b>	<b>1,641,558</b>	<b>41,558</b>
Operating Expenses			
Salaries and wages	477,834	485,211	(7,377)
Employee benefits	257,280	280,661	(23,381)
Services and supplies	356,542	287,584	68,958
Depreciation	300,000	286,784	13,216
Data processing use fee	39,900	36,000	3,900
Public works use fee	252,000	240,000	12,000
In lieu of taxes and franchise taxes	248,840	253,867	(5,027)
General Fund administrative support	148,451	146,004	2,447
<b>Total operating expenses</b>	<b>2,080,847</b>	<b>2,016,111</b>	<b>64,736</b>
Operating Income (Loss)	(480,847)	(374,553)	106,294
Nonoperating Revenues (Expenses)			
Investment income	-	2,467	2,467
Interest expense	(35,898)	(30,657)	5,241
RTC reimbursement	-	588,694	588,694
Bond issuance costs	-	(5,465)	(5,465)
<b>Total nonoperating revenues (expenses)</b>	<b>(35,898)</b>	<b>555,039</b>	<b>590,937</b>
Income (Loss) Before Capital Contributions and Transfers	(516,745)	180,486	697,231
Capital Contributions	100,000	201,491	101,491
Change in Net Position	\$ (416,745)	381,977	\$ 798,722
Net Position, Beginning of Year		4,614,531	
Net Position, End of Year		\$ 4,996,508	

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Sewer Enterprise Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Charges for services	\$ 2,345,000	\$ 2,348,424	\$ 3,424
Operating grants	-	136	136
<b>Total operating revenues</b>	<u>2,345,000</u>	<u>2,348,560</u>	<u>3,560</u>
Operating Expenses			
Salaries and wages	167,896	164,601	3,295
Employee benefits	98,868	100,216	(1,348)
Services and supplies	580,000	443,534	136,466
Depreciation	625,000	665,421	(40,421)
Data processing use fee	13,300	12,600	700
Public works use fee	84,000	84,000	-
In lieu of taxes and franchise taxes	456,520	463,946	(7,426)
General Fund administrative support	174,895	175,212	(317)
<b>Total operating expenses</b>	<u>2,200,479</u>	<u>2,109,530</u>	<u>90,949</u>
<b>Operating Income (Loss)</b>	<u>144,521</u>	<u>239,030</u>	<u>94,509</u>
Nonoperating Revenues (Expenses)			
Investment income	-	5,695	5,695
Interest expense	(250,726)	(245,576)	5,150
<b>Total nonoperating revenues (expenses)</b>	<u>(250,726)</u>	<u>(239,881)</u>	<u>10,845</u>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<u>(106,205)</u>	<u>(851)</u>	<u>105,354</u>
<b>Capital Contributions</b>	<u>65,000</u>	<u>109,200</u>	<u>44,200</u>
<b>Change in Net Position</b>	<u>\$ (41,205)</u>	<u>108,349</u>	<u>\$ 149,554</u>
<b>Net Position, Beginning of Year</b>		<u>9,769,480</u>	
<b>Net Position, End of Year</b>		<u>\$ 9,877,829</u>	

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Water Treatment Enterprise Fund  
Year Ended June 30, 2021

	Budgeted	Actual	Variance
Operating Revenues			
Charges for services	\$ 1,685,000	\$ 1,432,398	\$ (252,602)
Operating grants	-	1,591	1,591
Miscellaneous	-	278,634	278,634
Total operating revenues	<u>1,685,000</u>	<u>1,712,623</u>	<u>27,623</u>
Operating Expenses			
Salaries and wages	240,983	228,963	12,020
Employee benefits	135,782	111,335	24,447
Services and supplies	699,923	527,421	172,502
Depreciation	385,000	386,811	(1,811)
Data processing use fee	39,900	36,778	3,122
Public works use fee	252,000	240,000	12,000
In lieu of taxes and franchise taxes	346,888	348,528	(1,640)
General Fund administrative support	148,451	140,172	8,279
Total operating expenses	<u>2,248,927</u>	<u>2,020,008</u>	<u>228,919</u>
Operating Income (Loss)	<u>(563,927)</u>	<u>(307,385)</u>	<u>256,542</u>
Nonoperating Revenues (Expenses)			
Interest expense	<u>(2,389)</u>	<u>(414)</u>	<u>1,975</u>
Income (Loss) Before Capital Contributions and Transfers	(566,316)	(307,799)	258,517
Capital Contributions	20,000	53,000	33,000
Transfers Out	<u>(41,772)</u>	<u>(41,772)</u>	<u>-</u>
Change in Net Position	<u>\$ (588,088)</u>	<u>(296,571)</u>	<u>\$ 291,517</u>
Net Position, Beginning of Year		<u>15,457,027</u>	
Net Position, End of Year		<u>\$ 15,160,456</u>	

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Sanitation Enterprise Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Charges for services	\$ 1,750,000	\$ 2,237,762	\$ 487,762
Operating grants	-	13,334	13,334
Total operating revenues	<u>1,750,000</u>	<u>2,251,096</u>	<u>501,096</u>
Operating Expenses			
Salaries and wages	354,618	354,428	190
Employee benefits	274,220	221,025	53,195
Services and supplies	770,515	765,722	4,793
Depreciation	130,000	127,924	2,076
Data processing use fee	13,300	12,600	700
Public works use fee	84,000	84,000	-
In lieu of taxes and franchise taxes	119,629	123,975	(4,346)
General Fund administrative support	185,564	169,368	16,196
Total operating expenses	<u>1,931,846</u>	<u>1,859,042</u>	<u>72,804</u>
Operating Income (Loss)	<u>(181,846)</u>	<u>392,054</u>	<u>573,900</u>
Nonoperating Revenues (Expenses)			
Interest expense	<u>(10,269)</u>	<u>(9,608)</u>	<u>661</u>
Change in Net Position	<u>\$ (192,115)</u>	<u>382,446</u>	<u>\$ 574,561</u>
Net Position, Beginning of Year		<u>(513,056)</u>	
Net Position, End of Year		<u>\$ (130,610)</u>	

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Landfill Enterprise Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Charges for services	\$ 1,285,000	\$ 1,587,790	\$ 302,790
Operating Expenses			
Salaries and wages	197,743	221,177	(23,434)
Employee benefits	110,766	135,750	(24,984)
Services and supplies	485,949	529,929	(43,980)
Depreciation	115,000	105,935	9,065
Data processing use fee	11,400	10,800	600
Public works use fee	72,000	72,000	-
In lieu of taxes and franchise taxes	108,342	108,886	(544)
General fund administrative support	148,451	122,652	25,799
Total operating expenses	<u>1,249,651</u>	<u>1,307,129</u>	<u>(57,478)</u>
Operating Income (Loss)	<u>35,349</u>	<u>280,661</u>	<u>245,312</u>
Nonoperating Revenues (Expenses)			
Interest expense	<u>(683)</u>	<u>(581)</u>	<u>102</u>
Change in Net Position	<u>\$ 34,666</u>	<u>280,080</u>	<u>\$ 245,414</u>
Net Position, Beginning of Year		<u>395,965</u>	
Net Position, End of Year		<u>\$ 676,045</u>	

City of Fallon, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Water Treatment Replacement Enterprise Fund  
Year Ended June 30, 2021

---

	Budgeted	Actual	Variance
Operating Revenues	\$ -	\$ -	\$ -
Transfers In	41,772	41,772	-
Change in Net Position	\$ 41,772	41,772	\$ -
Net Position, Beginning of Year		643,606	
Net Position, End of Year		\$ 685,378	

Draft

City of Fallon, Nevada  
Combining Statement of Net Position – Internal Service Funds  
June 30, 2021

	Data Processing Internal Service Fund	Public Works Internal Service Fund	Total Internal Service Funds
<b>Assets</b>			
Current assets			
Cash and investments	\$ 29,530	\$ 92,389	\$ 121,919
Noncurrent assets			
Land and construction in progress			
Capital assets	-	41,921	41,921
Other capital assets, net of depreciation	13,436	86,456	99,892
Total noncurrent assets	13,436	128,377	141,813
Total assets	42,966	220,766	263,732
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to other post employment benefits	-	42,678	42,678
Deferred outflows related to pensions	-	205,992	205,992
Total deferred outflows of resources	-	248,670	248,670
<b>Liabilities</b>			
Current liabilities			
Accounts payable	9,624	8,941	18,565
Accrued payroll and related liabilities	-	33,793	33,793
Current portion of compensated absences	-	18,544	18,544
Total current liabilities	9,624	61,278	70,902
Noncurrent liabilities			
Other postemployment benefit liability	-	242,886	242,886
Net pension liability	-	1,031,907	1,031,907
Compensated absences	-	19,926	19,926
Total noncurrent liabilities	-	1,294,719	1,294,719
Total liabilities	9,624	1,355,997	1,365,621
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	-	65,236	65,236
<b>Net Position</b>			
Net investment in capital assets	13,436	128,377	141,813
Unrestricted (deficit)	19,906	(1,080,174)	(1,060,268)
Total net position	\$ 33,342	\$ (951,797)	\$ (918,455)

City of Fallon, Nevada  
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds  
Year Ended June 30, 2021

	<u>Data Processing Internal Service Fund</u>	<u>Public Works Internal Service Fund</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for services			
User fees	\$ 180,000	\$ 1,200,000	\$ 1,380,000
Grant Revenue	280	356	636
Total revenues	<u>180,280</u>	<u>1,200,356</u>	<u>1,380,636</u>
Operating Expenses			
Salaries and wages	-	710,931	710,931
Employee benefits	-	377,222	377,222
Services and supplies	175,620	61,880	237,500
Depreciation	5,386	19,428	24,814
Total operating expenses	<u>181,006</u>	<u>1,169,461</u>	<u>1,350,467</u>
Operating Income (Loss)	<u>(726)</u>	<u>30,895</u>	<u>30,169</u>
Change in Net Position	<u>(726)</u>	<u>30,895</u>	<u>30,169</u>
Net Position, Beginning of Year	<u>34,068</u>	<u>(982,692)</u>	<u>(948,624)</u>
Net Position, End of Year	<u>\$ 33,342</u>	<u>\$ (951,797)</u>	<u>\$ (918,455)</u>



City of Fallon, Nevada  
Combining Statement of Cash Flows – Internal Service Funds  
Year Ended June 30, 2021

	Data Processing Internal Service Fund	Public Works Internal Service Fund	Total Internal Service Funds
Operating Activities			
Cash received from other funds for services	180,280	\$ 1,200,356	\$ 1,380,636
Cash payments to suppliers for goods and services	(172,359)	(390,029)	(562,388)
Cash payments to employees for services	-	(717,701)	(717,701)
Net Cash from Operating Activities	<u>7,921</u>	<u>92,626</u>	<u>100,547</u>
Capital and Related Financing Activities			
Purchase of property, plant, and equipment	-	(75,749)	(75,749)
Net Change in Cash and Cash Equivalents	7,921	16,877	24,798
Cash and Cash Equivalents, Beginning of Year	<u>21,609</u>	<u>75,512</u>	<u>97,121</u>
Cash and Cash Equivalents, End of Year	<u>\$ 29,530</u>	<u>\$ 92,389</u>	<u>\$ 121,919</u>
Reconciliation of operating income to net cash from (used for) operating activities			
Operating income (loss)	\$ (726)	\$ 30,895	\$ 30,169
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Depreciation	5,386	19,428	24,814
Pension contributions	-	(98,611)	(98,611)
Pension expense	-	126,094	126,094
OPEB Expense	-	10,762	10,762
Changes in			
Accounts payable	3,261	6,402	9,663
Accrued payroll and related liabilities	-	(6,770)	(6,770)
Accrued compensated absences	-	4,426	4,426
Net Cash from Operating Activities	<u>\$ 7,921</u>	<u>\$ 92,626</u>	<u>\$ 100,547</u>

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Data Processing Internal Service Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Charges for services	\$ 190,000	\$ 180,000	\$ (10,000)
Grant revenue	-	280	280
Total revenues	<u>190,000</u>	<u>180,280</u>	<u>(9,720)</u>
Operating Expenses			
Services and supplies	180,000	175,620	4,380
Depreciation	5,500	5,386	114
Total operating expenses	<u>185,500</u>	<u>181,006</u>	<u>4,494</u>
Operating Income (Loss)	<u>4,500</u>	<u>(726)</u>	<u>(5,226)</u>
Change in Net Position	<u>\$ 4,500</u>	<u>(726)</u>	<u>\$ (5,226)</u>
Net Position, Beginning of Year		<u>34,068</u>	
Net Position, End of Year		<u>\$ 33,342</u>	

City of Fallon, Nevada  
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual –  
Public Works Internal Service Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues			
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ -
Grant revenue	-	356	356
Total revenues	<u>1,200,000</u>	<u>1,200,356</u>	<u>356</u>
Operating Expenses			
Salaries and wages	760,272	710,931	49,341
Employee benefits	400,020	377,223	22,797
Services and supplies	66,000	61,878	4,122
Depreciation	25,000	19,429	5,571
Total operating expenses	<u>1,251,292</u>	<u>1,169,461</u>	<u>81,831</u>
Operating Income (Loss)	<u>(51,292)</u>	<u>30,895</u>	<u>82,187</u>
Change in Net Position	<u>\$ (51,292)</u>	<u>30,895</u>	<u>\$ 82,187</u>
Net Position, Beginning of Year		<u>(982,692)</u>	
Net Position, End of Year		<u>\$ (951,797)</u>	

City of Fallon, Nevada  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
 Parking Lot Fund  
 Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Fund Balance, Beginning of Year	\$ 8,009	\$ 8,025	\$ 16
Fund Balance, End of Year	<u>\$ 8,009</u>	<u>\$ 8,025</u>	<u>\$ 16</u>

Draft

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
Secured Freight Yard Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services			
Use fee	\$ 34,000	\$ 28,272	\$ (5,728)
Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	34,000	28,272	(5,728)
Other Financing Sources (Uses)			
Transfers Out	<u>(34,000)</u>	-	<u>34,000</u>
Net Change in Fund Balance	-	28,272	28,272
Fund Balance, Beginning of Year	-	<u>12,288</u>	<u>12,288</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 40,560</u>	<u>\$ 40,560</u>

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
Drug Forfeiture Fund  
Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Fund Balance, Beginning of Year	\$ 1,663	\$ 1,663	\$ -
Fund Balance, End of Year	<u>\$ 1,663</u>	<u>\$ 1,663</u>	<u>\$ -</u>

Draft

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
Unemployment Compensation Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
General government and administration			
Employee benefits	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Other Financing Sources (Uses)			
Transfers In	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>423</u>	<u>409</u>	<u>(14)</u>
Fund Balance, End of Year	<u>\$ 423</u>	<u>\$ 409</u>	<u>\$ (14)</u>

City of Fallon, Nevada  
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
Convention Center Fund  
Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 33,000	\$ 3,742	\$ (29,258)
Intergovernmental			
Federal grants	-	1,390	1,390
Total revenue	<u>33,000</u>	<u>5,132</u>	<u>(27,868)</u>
Expenditures			
Community support			
Salaries and wages	259,370	262,288	(2,918)
Employee benefits	103,695	86,375	17,320
Services and supplies	145,000	56,646	88,354
Capital outlay	50,000	7,975	42,025
Total expenditures	<u>558,065</u>	<u>413,284</u>	<u>144,781</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(525,065)</u>	<u>(408,152)</u>	<u>116,913</u>
Other Financing Sources (Uses)			
Transfers In	<u>530,524</u>	<u>400,000</u>	<u>(130,524)</u>
Net Change in Fund Balance	5,459	(8,152)	(13,611)
Fund Balance, Beginning of Year	<u>96,281</u>	<u>163,396</u>	<u>67,115</u>
Fund Balance, End of Year	<u>\$ 101,740</u>	<u>\$ 155,244</u>	<u>\$ 53,504</u>



City of Fallon, Nevada  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
 Compensated Absences Fund  
 Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Fund Balance, Beginning of Year	\$ 25	\$ 25	\$ -
Fund Balance, End of Year	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ -</u>

Draft

City of Fallon, Nevada  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
 Fire Truck Reserve Fund  
 Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Fund Balance, Beginning of Year	\$ 161	\$ 161	\$ -
Fund Balance, End of Year	<u>\$ 161</u>	<u>\$ 161</u>	<u>\$ -</u>

Draft

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
Mayor’s Youth Fund  
Year Ended June 30, 2021

---

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Miscellaneous			
Other	<u>\$ 10,000</u>	<u>\$ 29,159</u>	<u>\$ 19,159</u>
Expenditures			
General government and administration			
Services and supplies	<u>15,000</u>	<u>13,429</u>	<u>1,571</u>
Net Change in Fund Balance	(5,000)	15,730	20,730
Fund Balance, Beginning of Year	<u>13,843</u>	<u>39,420</u>	<u>25,577</u>
Fund Balance, End of Year	<u>\$ 8,843</u>	<u>\$ 55,150</u>	<u>\$ 46,307</u>

Draft

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
Mayor’s Century Fund  
Year Ended June 30, 2021

---

	Budgeted	Actual	Variance
Fund Balance, Beginning of Year	\$ 1,998	\$ 1,998	\$ -
Fund Balance, End of Year	\$ 1,998	\$ 1,998	\$ -

Draft

City of Fallon, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (Budgetary Basis) and Actual –  
 Martin Vusich Self-Sustaining Centennial Fund  
 Year Ended June 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Miscellaneous			
Investment income	\$ 30	\$ 1	\$ (29)
Expenditures	-	-	-
Net Change in Fund Balance	30	1	(29)
Fund Balance, Beginning of Year	<u>7,985</u>	<u>7,973</u>	<u>(12)</u>
Fund Balance, End of Year	<u>\$ 8,015</u>	<u>\$ 7,974</u>	<u>\$ (41)</u>

Draft

City of Fallon, Nevada  
 Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989 – Limitation of Fees for Business Licenses  
 Year Ended June 30, 2021

---

Adjusted Base at June 30, 2020		\$ 66,295
Adjustment to Base		
Base year		
1. Percentage increase in population of local government	0.65%	
2. Percentage Change in CPI	<u>5.40%</u>	
		<u>6.05%</u>
		4,009
Adjusted Base at June 30, 2021		70,304
Actual Revenue		<u>276,954</u>
Actual Amount (over) under Allowable Amount		<u>\$ (206,650)</u>

Draft

This part of the City of Fallon's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Section Contents**

#### **Financial Trends Information**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity Information**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

#### **Debt Capacity Information**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, and its ability to issue additional future debt.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

#### **Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from annual comprehensive financial reports for the relevant year. The City implemented GASB 34 in 2004, and schedules presenting government-wide information include information beginning in that year.

City of Fallon, Nevada  
Schedule No. 1 – Net Position by Component  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets										
Restricted	\$ 19,584,052	\$ 21,700,796	\$ 23,307,955	\$ 22,991,535	\$ 22,942,505	\$ 22,788,694	\$ 22,284,515	\$ 22,255,494	\$ 22,180,925	\$ 31,163,713
Unrestricted	13,523	31,780	47,385	45,481	75,699	22,488	47,332	142,045	194,706	289,077
Unrestricted	974,025	(18,345)	115,754	(8,285,798)	(8,245,310)	(8,126,482)	(9,207,858)	(9,123,871)	(9,421,691)	(8,873,241)
Total Governmental Activities										
Net position	<u>\$ 20,571,600</u>	<u>\$ 21,714,231</u>	<u>\$ 23,471,094</u>	<u>\$ 14,751,218</u>	<u>\$ 14,772,894</u>	<u>\$ 14,684,700</u>	<u>\$ 13,123,989</u>	<u>\$ 13,273,668</u>	<u>\$ 12,953,940</u>	<u>\$ 22,579,549</u>
Business-Type Activities										
Net investment in capital assets										
Restricted	\$ 37,604,435	\$ 38,257,895	\$ 39,129,180	\$ 38,628,318	\$ 36,480,987	\$ 35,461,651	\$ 35,664,097	\$ 37,663,396	\$ 42,929,305	\$ 36,321,493
Unrestricted	1,310,017	1,375,253	1,418,050	1,278,023	476,518	518,290	560,062	601,834	643,606	685,378
Unrestricted	5,311,593	3,519,492	1,884,139	(657,862)	2,298,201	3,340,865	2,278,594	859,781	2,306,738	2,433,006
Total Business-type Activities										
Net position	<u>\$ 44,226,045</u>	<u>\$ 43,152,640</u>	<u>\$ 42,431,369</u>	<u>\$ 39,248,479</u>	<u>\$ 39,255,706</u>	<u>\$ 39,320,806</u>	<u>\$ 38,502,753</u>	<u>\$ 39,125,011</u>	<u>\$ 45,879,649</u>	<u>\$ 39,439,877</u>
Primary Government										
Net investment in capital assets										
Restricted	\$ 57,188,487	\$ 59,958,691	\$ 62,437,135	\$ 61,619,853	\$ 59,423,492	\$ 58,250,345	\$ 57,948,612	\$ 59,918,890	\$ 65,110,230	\$ 67,485,206
Unrestricted	1,323,540	1,407,033	1,465,435	1,323,504	552,217	540,778	607,394	743,879	838,312	974,455
Unrestricted	6,285,618	3,501,147	1,999,893	(8,943,660)	(5,947,109)	(4,785,617)	(6,929,264)	(8,264,090)	(7,114,953)	(6,440,235)
Total Primary Government										
Net Position	<u>\$ 64,797,645</u>	<u>\$ 64,866,871</u>	<u>\$ 65,902,463</u>	<u>\$ 53,999,697</u>	<u>\$ 54,028,600</u>	<u>\$ 54,005,506</u>	<u>\$ 51,626,742</u>	<u>\$ 52,398,679</u>	<u>\$ 58,833,589</u>	<u>\$ 62,019,426</u>



City of Fallon, Nevada  
Schedule No. 2 – Change in Net Position  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 1,544,267	\$ 1,663,467	\$ 1,690,306	\$ 1,678,298	\$ 1,584,856	\$ 1,716,962	\$ 1,877,667	\$ 2,110,517	\$ 2,157,829	\$ 2,452,247
Judicial	500,984	472,202	823,861	862,440	963,156	950,603	812,490	895,751	1,019,477	1,045,921
Public Safety	4,581,672	4,358,133	4,346,890	4,546,200	5,524,586	5,304,100	5,307,215	5,252,325	5,838,231	5,976,815
Public Works	1,230,342	823,527	831,615	881,147	951,133	1,470,832	938,738	925,217	903,708	1,023,028
Culture and Recreation	241,276	785,431	1,014,544	964,657	78,657	111,121	1,089,382	1,241,382	1,008,468	1,065,268
Community Support	1,210,080	695,612	689,458	756,851	821,635	862,084	683,436	724,909	747,655	1,578,438
Interest on Long-Term Debt	14,935	11,019	8,777	5,167	4,006	1,522	15,787	12,674	9,373	7,041
<b>Total Governmental Activities Expenses</b>	<b>9,323,556</b>	<b>8,809,391</b>	<b>9,405,451</b>	<b>9,694,760</b>	<b>9,928,029</b>	<b>10,417,224</b>	<b>10,724,715</b>	<b>11,162,775</b>	<b>11,684,741</b>	<b>13,148,758</b>
<b>Business-Type Activities</b>										
Electric	8,617,209	10,015,264	10,422,927	10,947,716	11,048,834	10,971,517	10,454,940	10,569,966	11,014,169	11,578,355
Water	1,525,067	1,672,477	1,665,541	1,702,062	1,688,182	1,741,801	2,009,341	1,979,607	2,017,614	2,046,330
Sewer	1,689,474	1,948,418	2,076,229	2,139,039	2,483,442	2,274,025	2,365,524	2,276,355	2,274,086	2,353,040
Water Treatment	1,419,518	1,763,149	1,845,066	1,818,524	1,854,313	1,781,997	1,872,199	2,123,220	2,115,784	2,014,502
Sanitation	1,142,227	1,503,218	1,344,200	1,350,180	1,476,909	1,660,261	1,754,151	1,876,144	2,048,355	1,866,584
Landfill	635,378	660,531	679,391	750,100	870,612	1,098,943	2,149,619	1,175,638	768,906	1,305,939
<b>Total Business-Type Activities Expenses</b>	<b>15,028,873</b>	<b>17,563,057</b>	<b>18,033,354</b>	<b>18,707,621</b>	<b>19,422,292</b>	<b>19,528,544</b>	<b>20,605,774</b>	<b>20,000,930</b>	<b>20,238,914</b>	<b>21,164,750</b>
<b>Total Primary Government Expenses</b>	<b>\$ 24,352,429</b>	<b>\$ 26,372,448</b>	<b>\$ 27,438,805</b>	<b>\$ 28,402,381</b>	<b>\$ 29,350,321</b>	<b>\$ 29,945,768</b>	<b>\$ 31,330,489</b>	<b>\$ 31,163,705</b>	<b>\$ 31,923,655</b>	<b>\$ 34,313,508</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General Government	\$ 686,342	\$ 1,439,704	\$ 2,154,830	\$ 2,094,039	\$ 2,262,003	\$ 2,347,888	\$ 2,479,274	\$ 2,676,779	\$ 2,721,603	\$ 3,573,299
Judicial	66,257	345,589	49,651	65,323	84,280	124,688	124,017	136,571	115,461	103,284
Public Safety	-	87,137	16,762	862	3,232	6,390	6,672	6,087	13,234	9,709
Culture and Recreation	23,055	28,066	35,251	32,143	37,018	37,123	37,488	42,700	31,049	19,615
Operating Grants and Contributions	1,246,162	745,343	993,904	592,598	540,447	497,776	176,200	297,996	245,080	2,933,890
Capital Grants and Contributions	820,342	1,865,122	1,617,270	243,049	539,632	529,347	266,747	853,806	738,431	794,200
<b>Total Governmental Activities</b>	<b>2,842,158</b>	<b>4,510,961</b>	<b>4,867,668</b>	<b>3,028,014</b>	<b>3,466,612</b>	<b>3,543,212</b>	<b>3,090,398</b>	<b>4,013,939</b>	<b>3,864,858</b>	<b>7,433,997</b>
<b>Business-Type Activities</b>										
Charges for Services										
Electric	9,866,351	9,635,057	10,025,997	11,241,606	11,159,460	11,079,233	11,454,055	11,258,578	11,064,394	11,328,706
Water	1,665,696	1,669,083	1,650,118	1,668,072	1,617,927	1,624,941	1,603,782	1,598,798	1,606,525	1,616,639
Sewer	1,475,345	1,474,150	1,488,056	1,784,577	2,153,618	2,193,105	2,245,391	2,294,442	2,379,247	2,348,424
Sanitation	1,292,512	1,289,746	1,292,460	1,400,656	1,539,717	1,662,649	1,702,518	1,731,660	1,789,679	2,237,762
Landfill	525,413	497,039	656,032	909,205	1,053,283	1,177,127	1,293,625	1,240,494	1,223,543	1,587,790
Water Treatment	1,640,226	1,677,903	1,663,804	1,664,037	1,652,633	1,663,627	1,673,309	1,682,985	1,685,367	1,711,032
Operating Grants and Contributions	82,902	116,124	43,049	33,585	58,407	67,351	145,977	18,104	6,946	299,640
Capital Grants and Contributions	3,081,919	101,329	460,953	107,836	178,707	99,885	155,980	418,126	7,007,528	996,455
<b>Total Business-Type Activities</b>	<b>19,630,364</b>	<b>16,460,431</b>	<b>17,280,469</b>	<b>18,809,574</b>	<b>19,413,752</b>	<b>19,567,918</b>	<b>20,274,637</b>	<b>20,243,187</b>	<b>26,763,229</b>	<b>22,126,448</b>

City of Fallon, Nevada  
Schedule No. 2 – Change in Net Position  
Last Ten Fiscal Years  
(Continued)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Primary Government										
Program Revenue	\$ 22,472,522	\$ 20,971,392	\$ 22,148,137	\$ 21,837,588	\$ 22,880,364	\$ 23,111,130	\$ 23,365,035	\$ 24,257,126	\$ 30,628,087	\$ 29,560,445
Net (Expense)/Revenue										
Governmental Activities	(6,481,398)	(4,298,430)	(4,537,783)	(6,666,746)	(6,461,417)	(6,874,012)	(7,634,317)	(7,148,836)	(7,819,883)	(5,714,761)
Business-Type Activities	4,601,491	(1,102,626)	(752,885)	101,953	(8,540)	39,374	(331,137)	242,257	6,524,315	961,698
Total Primary Government										
Net (Expense)/Revenue	\$ (1,879,907)	\$ (5,401,056)	\$ (5,290,668)	\$ (6,564,793)	\$ (6,469,957)	\$ (6,834,638)	\$ (7,965,454)	\$ (6,906,579)	\$ (1,295,568)	\$ (4,753,063)
General Revenues and Other										
Changes in Net Position										
Governmental Activities										
Taxes										
Ad Valorem	\$ 1,488,485	\$ 1,395,726	\$ 1,414,750	\$ 1,437,550	\$ 1,432,225	\$ 1,464,486	\$ 1,451,714	\$ 1,506,099	\$ 1,553,934	\$ 1,613,756
Occupancy	512,270	482,423	575,389	496,450	511,550	617,231	791,038	634,963	616,671	693,698
Fuel	149,098	143,386	146,174	137,741	146,852	149,425	154,833	153,488	146,140	163,234
Unrestricted Intergovernmental -										
Consolidated Taxes	1,625,658	1,638,491	1,676,871	1,717,108	1,820,223	1,852,273	2,189,348	2,210,806	2,358,411	2,738,375
Franchise Fees	165,460	146,557	182,547	226,475	209,800	225,997	245,067	266,781	290,329	256,793
Enterprise Funds in Lieu of Taxes	-	244,777	972,732	984,100	1,013,832	1,026,663	1,035,423	1,051,149	1,086,237	1,099,701
Enterprise Funds in Lieu of										
Franchise Fees	-	830,705	818,777	810,031	836,698	932,537	957,855	968,305	989,598	997,886
Unrestricted Gaming Licenses	251,811	235,449	238,604	265,856	221,291	227,671	236,670	246,933	229,621	209,001
Investment Earnings	2,999	854	916	216	216	712	1,659	3,563	3,624	2,700
Gain (Loss) on Disposal	617,786	-	-	-	-	-	385,676	-	-	-
Miscellaneous	185,264	338,701	284,886	332,497	290,406	288,823	-	256,428	225,590	132,146
Transfers	2,513,908	(16,008)	(17,000)	-	-	-	-	-	-	7,433,080
Total Governmental Activities	7,512,739	5,441,061	6,294,646	6,408,024	6,483,093	6,785,818	7,449,283	7,298,515	7,500,155	15,340,370
Business-Type Activities										
Investment Earnings	12,065	13,213	14,614	9,856	15,767	25,726	121,622	308,317	230,323	31,610
Gain (Loss) on Disposal	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	39,354	71,684	-	-
Transfers	(2,513,908)	16,008	17,000	-	-	-	-	-	-	(7,433,080)
Total Business-Type Activities	(2,501,843)	29,221	31,614	9,856	15,767	25,726	160,976	380,001	230,323	(7,401,470)
Total Primary Government										
General Revenues	\$ 5,010,896	\$ 5,470,282	\$ 6,326,260	\$ 6,417,880	\$ 6,498,860	\$ 6,811,544	\$ 7,610,259	\$ 7,678,516	\$ 7,730,478	\$ 7,938,900
Change in Net Position										
Governmental Activities	\$ 1,433,787	\$ 1,142,631	\$ 1,756,863	\$ (258,722)	\$ 21,676	\$ (88,194)	\$ (185,034)	\$ 149,679	\$ (319,728)	\$ 9,625,609
Business-Type Activities	(1,926,473)	(1,073,405)	(721,271)	111,809	7,227	65,100	(170,161)	622,258	6,754,638	(6,439,772)
Total Primary Government										
Change in Net Position	\$ (492,686)	\$ 69,226	\$ 1,035,592	\$ (146,913)	\$ 28,903	\$ (23,094)	\$ (355,195)	\$ 771,937	\$ 6,434,910	\$ 3,185,837

City of Fallon, Nevada  
Schedule No. 3 – Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 713,266	\$ 435,047	\$ 318,165	\$ 251,283	\$ 184,401	\$ 117,519	\$ 36,382
Restricted	7,452	7,639	7,836	7,853	7,877	7,901	30,804	35,017	42,778	47,829
Committed	39,392	56,428	35,443	93,091	38,603	63,689	93,095	111,217	227,385	263,235
Assigned	-	-	-	-	-	-	244,622	182,045	460,631	802,914
Unassigned	1,545,464	833,575	993,751	283,448	217,024	353,701	314,585	602,347	575,336	548,264
<b>Total Fund Balance</b>	<b>\$ 1,592,308</b>	<b>\$ 897,642</b>	<b>\$ 1,037,030</b>	<b>\$ 1,097,658</b>	<b>\$ 698,551</b>	<b>\$ 743,456</b>	<b>\$ 934,389</b>	<b>\$ 1,115,027</b>	<b>\$ 1,423,649</b>	<b>\$ 1,698,624</b>
All Other Governmental Funds										
Restricted	\$ 6,071	\$ 23,734	\$ 39,549	\$ 37,628	\$ 67,822	\$ 14,587	\$ 16,528	\$ 107,028	\$ 151,928	\$ 241,248
Committed										
Special revenue funds	319,954	155,696	233,172	226,537	142,596	238,127	488,031	505,841	182,324	1,035,306
Assigned	-	-	-	-	-	(41,220)	-	(4,512)	265,024	-
<b>Total All Other Governmental Funds</b>	<b>\$ 326,025</b>	<b>\$ 179,430</b>	<b>\$ 272,721</b>	<b>\$ 264,165</b>	<b>\$ 210,418</b>	<b>\$ 211,494</b>	<b>\$ 504,559</b>	<b>\$ 608,357</b>	<b>\$ 599,276</b>	<b>\$ 1,276,554</b>

City of Fallon, Nevada  
 Schedule No. 4 – Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
<b>Taxes</b>										
Ad valorem	\$ 1,500,873	\$ 1,405,371	\$ 1,425,622	\$ 1,436,376	\$ 1,434,369	\$ 1,468,645	\$ 1,458,297	\$ 1,506,342	\$ 1,558,359	\$ 1,611,739
Other	1,062,918	1,034,444	2,435,006	1,862,076	1,908,027	1,800,835	1,888,263	1,755,907	1,734,740	2,407,799
Charges for services	429,409	1,453,548	1,765,655	1,866,758	1,985,398	2,093,854	2,204,785	2,435,237	2,352,674	2,156,816
Intergovernmental	3,549,923	4,442,624	2,630,439	2,699,826	2,641,090	3,234,913	3,195,357	3,858,988	3,807,023	7,360,827
Licenses and permits	528,693	1,461,653	1,526,056	1,407,668	1,443,031	1,559,042	1,637,686	1,655,902	1,733,763	1,690,390
Fines and forfeitures	48,050	38,469	28,816	44,310	99,612	104,829	100,367	110,826	89,275	76,524
Investment income	3,000	854	915	215	216	712	1,659	3,561	3,624	2,700
Miscellaneous	112,726	171,538	102,776	117,636	80,110	70,361	49,304	(11,232)	86,685	29,135
<b>Total revenues</b>	<b>7,235,592</b>	<b>10,008,501</b>	<b>9,915,285</b>	<b>9,434,865</b>	<b>9,591,853</b>	<b>10,333,191</b>	<b>10,535,718</b>	<b>11,315,531</b>	<b>11,366,143</b>	<b>15,335,930</b>
<b>Expenditures</b>										
General government	1,407,817	1,520,587	1,593,820	1,514,103	1,847,679	1,850,200	1,759,607	1,937,229	1,882,766	3,123,914
Judicial	499,238	470,456	821,910	875,768	879,269	849,025	797,204	890,001	976,453	1,018,640
Public safety	4,346,180	4,166,150	4,159,520	4,474,236	4,705,691	4,874,293	5,021,060	5,186,268	5,414,050	5,671,106
Public works	150,712	158,210	122,079	138,928	194,239	157,869	161,024	145,813	99,026	473,060
Culture and recreation	605,738	693,373	899,668	834,703	864,388	904,883	964,095	946,264	875,993	939,439
Community support	628,434	658,983	619,494	696,774	780,116	601,882	613,558	697,620	703,051	540,069
Capital outlay	1,616,274	3,060,593	1,383,426	787,213	711,176	1,017,599	938,323	1,165,412	1,052,930	3,212,173
<b>Debt service:</b>										
Principal	95,341	99,257	56,912	55,901	58,143	29,937	46,854	49,813	52,960	64,634
Interest	14,935	11,019	8,777	5,167	4,006	1,522	15,787	12,675	9,373	7,042
<b>Total expenditures</b>	<b>9,364,669</b>	<b>10,838,628</b>	<b>9,665,606</b>	<b>9,382,793</b>	<b>10,044,707</b>	<b>10,287,210</b>	<b>10,317,512</b>	<b>11,031,095</b>	<b>11,066,602</b>	<b>15,050,077</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(2,129,077)</b>	<b>(830,127)</b>	<b>249,679</b>	<b>52,072</b>	<b>(452,854)</b>	<b>45,981</b>	<b>218,206</b>	<b>284,436</b>	<b>299,541</b>	<b>285,853</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	3,099,198	473,683	375,282	461,068	447,149	420,311	476,670	543,130	717,333	586,870
Transfers out	(585,290)	(489,691)	(392,282)	(461,068)	(447,149)	(420,311)	(476,670)	(543,130)	(717,333)	(586,870)
Proceeds from medium - term obligations	-	-	-	-	-	-	265,792	-	-	666,400
<b>Total other financing sources (uses)</b>	<b>3,131,694</b>	<b>(16,008)</b>	<b>(17,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265,792</b>	<b>-</b>	<b>-</b>	<b>666,400</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,002,617</b>	<b>\$ (846,135)</b>	<b>\$ 232,679</b>	<b>\$ 52,072</b>	<b>\$ (452,854)</b>	<b>\$ 45,981</b>	<b>\$ 483,998</b>	<b>\$ 284,436</b>	<b>\$ 299,541</b>	<b>\$ 952,253</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.4%</b>	<b>1.4%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.3%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>

City of Fallon, Nevada  
 Schedule No. 5 – Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year	Assessed Value			Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
	Real Property	Personal Property	Total		
2012	* \$ -	\$ -	\$ 160,428,538	\$ 458,367,251	35.0
2013	137,433,652	8,961,209	146,394,861	418,271,031	35.0
2014	195,882,509	16,555,277	212,437,786	606,965,103	35.0
2015	153,309,372	20,653,142	173,962,514	497,035,754	35.0
2016	170,266,718	22,545,162	192,811,880	550,891,086	35.0
2017	173,246,534	19,765,825	193,012,359	551,463,883	35.0
2018	176,224,659	18,391,674	194,616,333	556,046,666	35.0
2019	181,042,699	17,075,191	198,117,890	566,051,114	35.0
2020	185,839,256	16,989,217	202,828,473	579,509,923	35.0
2021	188,422,571	15,283,557	203,706,128	582,017,509	35.0

Source: Churchill County Assessor's Office

\* Earliest year assessed value detail was provided by the County.

City of Fallon, Nevada  
 Schedule No. 6 – Property Tax Rates – Direct and Overlapping Governments  
 (per \$100 of Assessed Value)  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City of Fallon</u>	<u>State of Nevada</u>	<u>School District</u>	<u>County</u>	<u>Special Districts</u>	<u>Total</u>
2012	0.8371	0.1700	1.3000	1.2229	0.1100	3.6400
2013	0.8371	0.1700	1.3000	1.2229	0.1100	3.6400
2014	0.8371	0.1700	1.3000	1.2229	0.1100	3.6600
2015	0.8371	0.1700	1.3000	1.2529	0.1100	3.6600
2016	0.8271	0.1700	1.3000	1.2529	0.1100	3.6600
2017	0.8271	0.1700	1.3000	1.2529	0.1100	3.6600
2018	0.7971	0.1700	1.3000	1.2829	0.1100	3.6600
2019	0.7971	0.1700	1.3000	1.2829	0.1100	3.6600
2020	0.7971	0.1700	1.3000	1.2829	0.1100	3.6600
2021	0.7971	0.1700	1.3000	1.2829	0.1100	3.6600

Source: State of NV Department of Taxation's "Local Government Finance Redbook"

City of Fallon, Nevada  
 Schedule No. 7 – Principal Property Owners  
 June 30, 2021

Taxpayer	Product/Service	Rank	Fiscal Year 2021		
			Taxable Estimated Appraised Value (1)	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
ENEL Stillwater LLC (Stillwater Plant)	Geothermal	1	\$ 173,808,289	\$ 60,832,901	7.07%
NV Energy Combined	Utilities	2	92,290,726	32,301,754	3.75%
Union Pacific Railroad	Transportation	3	68,761,009	24,066,353	2.80%
Gradient Resources In. (Patus Project)	Geothermal	4	54,181,040	18,963,364	2.20%
ORNI 423 LLC	Engineering & Construction	5	53,171,257	18,609,940	2.16%
Terra-Gen Dixie Valley LLC	Geothermal	6	50,178,820	17,562,587	2.04%
Ormat Nevada Inc.	Geothermal	7	48,037,617	16,813,166	1.95%
CYRQ Energy Inc.	Geothermal	8	44,921,729	15,722,605	1.83%
URS Federal Services	Federal Contractor	9	22,236,214	7,782,675	0.90%
US Bank National Association	Banking	10	18,574,503	6,501,076	0.76%

Taxpayer	Product/Service	Rank	Fiscal Year 2012		
			Taxable Estimated Appraised Value (1)	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
ENEL Stillwater LLC (Stillwater Plant)	Geothermal	1	\$ 202,449,729	\$ 70,857,405	13.23%
Terra-Gen Dixie Valley LLC	Geothermal	2	63,486,303	22,220,206	4.15%
Northrop Grumman	Contractor	3	51,528,597	18,035,009	3.37%
Sierra Pacific Power Company	Utility	4	49,096,869	17,184,604	3.21%
ENEL Saltwater Wells Plant Geotherma	Geothermal	5	46,179,689	16,162,891	3.02%
Magma Energy (Constellation Power)	Geothermal	6	31,548,043	11,041,815	2.06%
AT&A Communications, INC.	Communications	7	26,842,737	9,394,958	1.75%
Union Pacific Railroad	Railroad	8	24,887,154	8,710,504	1.63%
Ormat Nevada, Inc. Desert Peak	Geothermal	9	24,637,454	8,623,109	1.61%
Southwest Gas Corp	Utility	10	24,391,503	8,537,026	1.59%

Source : Churchill County Tax Assessors Office

(1) The county assesses property at approximately 35% of actual value. Property in Churchill County is reassessed once every four years on average.

City of Fallon, Nevada  
 Schedule No. 8 – Electric User Fees  
 Last Ten Fiscal Years

Electric Utility	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of Meters	4,844	4,841	5,078	4,844	4,908	4,879	4,873	4,876	4,874	4,971
Annual Average Day Demand per Customer (1)	763	763	763	763	763	763	763	763	763	763
Direct Rate per KWH	0.12524	0.12524	0.12524	0.12524	0.12524	0.12524	0.12524	0.12524	0.12524	0.12524
Base Fee for Electrical	\$ 3.02	\$ 3.02	\$ 3.02	\$ 12.02	\$ 12.02	\$ 12.02	\$ 12.02	\$ 12.02	\$ 12.02	\$ 12.02

Source: City of Fallon

(1) Industry average for residents in the State of Nevada.

Draft



City of Fallon, Nevada  
 Schedule No. 9 – Principal Electric Users  
 June 30, 2021

Employer	2021		2012	
	User Fees	Rank	User Fees	Rank
Dairy Farmers of America	\$ 1,404,673	1	N/A	N/A
Churchill County School District	483,036	2	\$ 525,534	2
Walmart	401,004	3	548,931	1
Churchill Community Hospital	352,758	4	426,346	3
Safeway	209,202	5	228,066	5
Highland Manor	169,332	6	168,244	7
City of Fallon Waste Water Plant	160,628	7	167,687	8
Bonanza Casino	141,677	8	162,843	9
Gemini	127,795	9	N/A	N/A
The Depot Casino	113,753	10	N/A	N/A

Source: City of Fallon

City of Fallon, Nevada  
 Schedule No. 10 – Ratio of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Page 1 of 2

Fiscal Year	Governmental Activities		Business-Type Activities										
	Bonds Payable	Medium-Term Obligation	Electric Bonds	Water Bonds	Sewer Bonds	Sanitation Bonds	Landfill Bonds	Electric Medium-Term Obligation	Water Medium-Term Obligation	Sewer Medium-Term Obligation	Sanitation Medium-Term Obligation	Landfill Medium-Term Obligation	Water - Treatment Medium-Term Obligation
2012	\$ 300,152	\$ -	\$ 1,478,887	\$ 3,366,114	\$ 6,470,804	\$ 84,872	\$ 565,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013	200,895	-	1,075,985	3,062,905	6,170,479	43,550	384,566	-	-	-	-	-	-
2014	143,982	-	777,513	2,844,398	5,874,502	30,236	196,274	-	-	-	-	-	-
2015	88,080	-	475,646	2,625,469	5,565,085	18,497	75,046	-	-	-	-	-	-
2016	29,937	-	161,675	2,168,335	7,285,000	6,288	25,509	-	-	-	-	-	-
2017	-	-	-	1,964,476	7,025,000	-	-	-	-	-	-	-	-
2018	-	218,938	6,333,000	1,772,227	6,760,000	-	-	-	-	-	-	-	-
2019	-	169,125	6,234,000	1,575,378	6,485,000	-	-	-	-	-	-	-	-
2020	-	116,165	5,862,000	1,373,822	6,195,000	-	-	-	-	-	-	-	-
2021	-	717,931	5,560,000	1,167,444	5,890,000	-	-	636,749	227,202	227,202	83,621	58,535	66,897

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 (1) See the Schedule of Demographic Statistics on Schedule 14 for personal income and population data.

City of Fallon, Nevada  
 Schedule No. 10 – Ratio of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Page 2 of 2

Fiscal Year	Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Sanitation Capital Leases	Landfill Capital Lease	Electric Capital Lease	Water Capital Lease	Sewer Capital Lease			
2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,265,921	4.02%	1,425
2013	-	-	-	-	-	10,940,393	3.48%	1,257
2014	-	-	-	-	-	9,868,919	2.98%	1,134
2015	-	378,990	-	-	-	9,226,813	2.71%	1,067
2016	-	307,150	-	-	-	9,983,894	2.87%	1,138
2017	536,562	231,273	-	-	-	9,757,311	2.64%	1,100
2018	457,974	151,155	-	-	-	15,693,294	3.98%	1,738
2019	377,127	73,721	-	-	-	14,914,351	3.54%	1,634
2020	293,949	7,246	163,330	163,330	163,330	14,338,172	3.11%	1,561
2021	208,897	-	-	-	-	14,844,478	N/A	1,637

City of Fallon, Nevada  
 Schedule No. 11 – Ratio of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business Type Activities	Total*	Percentage of Actual Property Value (1)	Per Capita (2)
2012	\$ 300,152	\$ 11,965,770	\$ 12,265,922	2.68%	1,424.78
2013	200,895	10,737,485	10,938,380	2.62%	1,256.42
2014	143,982	9,722,923	9,866,905	1.63%	1,133.35
2015	88,080	9,138,733	9,226,813	1.86%	1,069.30
2016	29,937	9,953,957	9,983,894	1.81%	1,138.41
2017	-	9,757,291	9,757,291	1.77%	1,099.54
2018	218,938	15,474,356	15,693,294	2.82%	1,737.91
2019	169,125	14,745,226	14,914,351	2.63%	1,634.45
2020	116,165	14,222,007	14,338,172	2.47%	1,561.21
2021	717,931	14,143,270	14,861,201	2.55%	1,637.23

\* Does not include compensated absences liability  
 (1) See the Schedule of Assessed and Estimated Actual Value  
 (2) Population can be found in the Schedule of Demographic Statistics

City of Fallon, Nevada  
 Schedule No. 12 – Computation of General Obligation Direct and Overlapping Debt  
 June 30, 2021

<u>Direct</u>	<u>General Obligation Debt</u>	<u>Revenue Bond &amp; Capital Leases</u>	<u>Net Debt Outstanding</u>	<u>% Applicable(1)</u>	<u>Applicable Net Debt</u>
City of Fallon	\$ 717,931	\$ -	\$ 717,931	100.00%	<u>\$ 717,931</u>
<u>Overlapping</u>					
State of Nevada (1)	1,210,570,000	-	1,210,570,000	14.00%	169,479,800
Churchill County (2)	28,991,129	-	28,991,129	23.25%	6,740,437
Churchill County School District (3)	26,362,700	-	26,362,700	23.25%	<u>6,129,328</u>
Total overlapping debt					<u>182,349,565</u>
Total direct and overlapping Debt					<u><u>\$ 183,067,496</u></u>

- Sources:  
 (1) State of Nevada  
 (2) Department of Taxation  
 (3) Churchill County School District

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fallon. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Fallon, Nevada  
Schedule No. 13 – Computation of Legal Debt Margin  
June 30, 2021

---

Estimated Assessed Value	\$ 203,706,128
Debt Limit - 30 Percent of Total	<u>30%</u>
Assessed Value	61,111,838
Less Total Amount of Debt Applicable to Debt Limit	<u>14,861,201</u>
Legal Debt Margin	<u>\$ 46,250,637</u>

Note: Legal debt margin as set forth in NRS 266.600

Draft

City of Fallon, Nevada  
 Schedule No. 14 – Demographic Statistics  
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2012	8,609	\$ 305,369,839	\$ 35,471	11.20%
2013	8,706	314,504,250	36,125	9.30%
2014	8,706	331,402,596	38,066	9.60%
2015	8,645	339,912,755	39,319	6.90%
2016	8,770	347,607,720	39,636	5.60%
2017	8,874	369,238,266	41,609	4.30%
2018	9,030	394,258,830	43,661	3.90%
2019	9,125	421,109,625	46,149	3.60%
2020	9,184	459,943,904	50,081	5.70%
2021	9,077	Unavailable	Unavailable	3.90%

Sources:

- (1) Nevada State Demographer's Office
- (2) Bureau of Economic Analysis
- (3) Nevada Employment Security Department - Churchill County Data

City of Fallon, Nevada  
Schedule No. 15 – Major Employers  
June 30, 2021

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (1)
N.A.S Fallon - Military Personnel	1,000	1	11.86%	1800-1899	1	13.92%
Churchill County School District	400	2	4.67%	600-699	2	4.89%
Banner Churchill Community Hospital	250-499	3	2.92%	300-399	3	4.89%
Wal-Mart Supercenter	250-499	4	2.92%	200-299	4	1.88%
Stockman's Casino	250-499	5	2.92%	100-199	12	1.13%
Churchill County	200-299	6	2.33%	200-299	5	1.88%
Dyncorp International LLC	200-299	7	2.33%	-	-	-
A&K Earthmovers	100-249	8	1.17%	100-199	9	1.13%
Chugach Support Services Inc.	100-249	9	1.17%	100-199	7	1.13%
New Millennium Building System	100-249	10	1.17%	-	-	-
Bonanza/Nuggett Casino	100-249	11	1.17%	-	-	-
City of Fallon	100-249	12	1.17%	-	-	-

Source: Churchill Economic Development Authority

(1) Total employment statistics are for the Churchill County area, as information not available at the City level.



City of Fallon, Nevada  
 Schedule No. 16 – Full-Time Equivalent City of Fallon, Nevada Employees by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	6	6	6	6	5	5	8	12	10	14
Judicial	4	4	6	6	6	7	5	7	6	6
Public Safety	36	36	36	34	40	33	40	38	42	43
Culture and Recreation	4	4	5	5	7	5	4	5	6	3
Community Support	3	3	4	4	4	5	4	4	4	4
Enterprise Funds	34	34	28	46	30	48	43	41	37	36
<b>Total</b>	<b>87</b>	<b>87</b>	<b>85</b>	<b>101</b>	<b>92</b>	<b>103</b>	<b>104</b>	<b>107</b>	<b>105</b>	<b>106</b>

Source: City Clerk/Treasurer's Office

Draft

City of Fallon, Nevada  
 Schedule No. 17 – Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police Department</b>										
Calls for service	10,346	10,096	10,285	10,062	9,870	8,201	9,584	10,001	8,712	8,511
Citations issued	879	914	879	823	750	615	939	718	450	186
Arrests	697	560	670	657	562	513	539	727	424	346
Animal Shelter intake	1,891	1,825	1,850	1,690	1,621	1,364	1,439	1,521	1,365	1,016
<b>Municipal Court</b>										
Criminal Charges filed	285	288	491	543	492	438	441	413	369	329
Traffic Charges filed	571	1,094	857	551	432	537	925	1,103	629	435
<b>Fire Department</b>										
Emergency responses	46	69	70	76	68	66	60	65	62	91
<b>Landfill</b>										
Refuse received (tons)	27,963	24,902	29,091	60,785	67,452	87,702	93,975	89,052	85,417	142,645
<b>Water</b>										
Water Pumped (thousands of gal)	605,851	731,091	726,181	773,039	754,438	622,846	626,800	630,074	654,544	637,296
<b>Electric</b>										
Metered KWH purchased	76,171,000	75,748,807	87,952,000	83,575,000	86,034,000	89,720,451	93,396,854	92,318,976	91,128,447	92,173,684
Usage @ system peak	17,640	18,005	18,539	19,509	20,523	20,648	21,077	21,420	21,277	21,237
<b>Other Public Works</b>										
Street reconstruction (feet)	100	6,717	100	-	-	-	-	-	-	-
Building permits issued	168	167	160	172	185	248	237	283	311	508
<b>Sewer</b>										
Treated Effluent (Average Daily in millions/gallons)	0.833	0.961	1.024	0.997	1.039	0.93	1.08	1.12	1.24	1.11

Source: City Clerk/Treasurer's Office

City of Fallon, Nevada  
 Schedule No. 18 – Capital Assets Statistics by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	17	17	17	17
Fire Stations	1	1	1	1	1	1	1	1	1	1
Other Public Works										
Streets (miles)	43.64	43.64	44.28	44.28	44.28	44.28	44.28	44.28	44.28	44.28
Traffic signals	6	6	6	6	6	6	6	6	6	6
Parks and Recreation										
Acreage	32	32	32	32	32	32	32	32	32	32
Developed playgrounds	9	9	9	9	9	9	9	9	9	9
Water										
Storage Capacity (millions of gallons)	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Water Treatment										
Treatment Capacity (millions of gallons/day)	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Sewer Treatment										
Treatment Capacity (millions of gallons/day)	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2

**Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and Members of the City Council  
City of Fallon, Nevada  
Fallon, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fallon, Nevada, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated DATE PENDING.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questions costs as item 2021-001 that we consider to be a significant deficiency.

#### **Compliance and Other Matters**

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

#### **City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

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

Elko, Nevada  
DATE PENDING

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and Members of the City Council  
City of Fallon, Nevada  
Fallon, Nevada

**Report on Compliance for Each Major Program**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and our 2021 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on each Major Federal Program**

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

### **Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Elko, Nevada  
DATE PENDING

## **Auditor's Comments**

To the Honorable Mayor and Members of the City Council  
City of Fallon, Nevada  
Fallon, Nevada

In connection with our audit of the financial statement of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Fallon, Nevada (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe the City failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

### **Statute Compliance**

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

### **Progress on Prior Year Statute Compliance**

The City of Fallon conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2020.

### **Prior Year Recommendations**

Current year finding 2021-001 is a repeat finding from the prior year.

### **Current Year Recommendations**

The current year recommendations are included in the schedule of findings and questioned costs.



**NRS 354.598155**

The financial statements of the Special Ad Valorem Capital Projects Fund are included in our report. There were not expenditures from this fund during the current year.

Elko, Nevada  
DATE PENDING

Draft

City of Fallon, Nevada  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Financial Assistance Listing/ Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u>			
Direct Award			
Airport Improvement Program	20.106	3-32-0008-021-2020	\$ 639,789
Airport Improvement Program	20.106	3-32-0008-022-2021	153,568
			<u>793,357</u>
Passed through State of Nevada Department of Transportation:			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	74182	1,252,032
Total U.S. Department of Transportation			<u>\$ 2,045,389</u>
<u>U.S. Department of Treasury</u>			
Passed through State of Nevada Governor's Finance Office:			
COVID-19 - Coronavirus Relief Fund	21.019	n/a	\$ 1,578,755
<u>U.S. Department of Homeland Security</u>			
Passed through State of Nevada Department of Motor Vehicles and Public Safety Division of Emergency Management:			
Emergency Management Preparedness Grant	97.042	EMF-2020-EP-00005	28,083
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Nevada Governor's Office of Economic Development:			
Community Development Block Grants/State's Program Front St. Redevelopment Project	14.228	19/PF.04	548,066
<u>U.S. Department of Justice</u>			
Passed through State of Nevada Office of Traffic Safety:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19/JAG/12 and 20-JAG-12	20,430
Total Federal Financial Assistance			<u>\$ 4,220,723</u>

**Note A - Basis of Presentation**

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

**Note B - Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contain in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

**Note C - Indirect Cost Rate**

The City of Fallon has not elected to use the 10% de minimis cost rate.

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiency identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federla Financial Assitance Listing/CFDA Number</u>
Coronavirus Relief Fund	21.019
Highway Planning and Construction Cluster	20.205
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**Section II – Financial Statement Finding**

**2021-001      Report Preparation and Audit Adjustments  
Significant Deficiency**

- Criteria:* Management of the City of Fallon is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control is a finance staff with adequate resources available to prepare the financial statements in accordance with generally accepted accounting principles.
- Condition:* Management does not prepare financial statements in accordance with generally accepted accounting principles. The City contracts with the external audit firm to prepare the City's audited financial statements and related note disclosures from the general ledger and applicable city records provided by the City's staff.
- Cause:* Given the daily responsibilities of management, the resources of time and training necessary to prepare the City's financial statements in accordance with generally accepted accounting principles are not available. As a result, the City has chosen to contract with Eide Bailly LLP to prepare the financial statements. This circumstance is not unusual in an organization of this size, due to time constraints of management and costs associated with compliance of the standards.
- Effect:* The City's internally prepared records upon which financial statements are prepared do not contain all information required by generally accepted accounting principles.
- Recommendation:* We recommend Management perform a detailed review of all financial statements and fund trial balances throughout the year to ensure that all significant transactions have been appropriately reported. In addition, Management and Those Charged with Governance should annually make the decision to accept the degree of risk associated with this condition because of costs or other considerations.
- Views of Responsible Officials:* Management will annually review whether to accept the degree of risk associated with the auditors preparing the City's financial statements. In addition, management will perform year end reconciling procedures to ensure accounts are properly stated.

**Section III – Federal Award Findings and Questioned Costs**

**2021-002 U.S. Department of Transportation  
Passed Through State of Nevada Department of Transportation  
Highway Planning and Construction Cluster CFDA 20.205**

**Procurement, Suspension, and Debarment  
Significant Deficiency in Internal Control over Compliance**

*Criteria:* 2 CFR Part 200 (Uniform Guidance) requires that a non-Federal entity must use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal law and standards.

*Condition:* We noted the City does not have a separate documented procurement procedure to conform to applicable federal law and standards.

*Cause:* The City did not have adequate internal controls to determine the need to have its own procurement procedures.

*Effect:* Procurements may not follow federal standards.

*Questioned Costs:* None reported.

*Context/Sampling:* All contracts were tested as a population of only one was noted.

*Repeat Finding from Prior Year:* No.

*Recommendation:* We recommend City of Fallon enhance internal controls to ensure its procurement policy addresses all items required by Uniform Guidance.

*Views of Responsible Officials:* Management will update their procurement policies to conform with Uniform Guidance.

# January 28, 2022

## Agenda Item 5

Introduction of Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto. **(This agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended.)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 5

DATE SUBMITTED: January 24, 2022

AGENDA DATE REQUESTED: January 28, 2022

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Introduction of Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto. **(This agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended.)**

Resolution                       Ordinance  
 Formal Action/Motion         Other

POSSIBLE COUNCIL ACTION: Introduction of Bill Nos. 788, 789, and 790 by reading their title into the record.

DISCUSSION: The proposed Ordinances will be read by title to the City Council. If introduced by a City Councilperson, a public hearing on the proposed ordinance will be set for February 15, 2022, at 9:00 a.m. and no further action can or will be taken at this meeting.

**Bill No. 788: AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.020 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE DATES OF THE PRIMARY ELECTIONS OF THE CITY OF FALLON; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.**

Bill No. 788 would amend Title 2, Chapter 2.20, Section 2.20.020 of the Fallon Municipal Code



and change the date of the primary city elections to conform with Nevada Revised Statutes. Fallon Municipal Code 2.20.020 currently requires a primary city election to be held on the first Tuesday after the first Monday in April in every year in which a general city election is to be held. NRS 293C.175 requires a primary city election to be held on the second Tuesday in June of each even-numbered year.

**Bill No. 789: AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.030 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE REQUIREMENTS FOR PRIMARY ELECTION CANDIDATES OF THE CITY OF FALLON, DECLARATION OF CANDIDACY, TIME FOR FILING, FILING FEES; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.**

Bill No. 789 would amend Title 2, Chapter 2.20, Section 2.20.030 of the Fallon Municipal Code and change the requirements for candidates who desire to run for City office, including the date for filing a declaration of candidacy and the process for those who file and receive a majority of the votes cast in the primary city election.

FMC 2.20.030(A) currently requires a candidate to file a declaration of candidacy with the City Clerk not less than 60 days nor more than 70 days before the date of the primary city election. The amendment would change the date for filing a declaration for candidacy with the City Clerk not earlier than the first Monday in March of the year in which the applicable election is to be held and not later than 5:00 p.m. on the second Friday after the first Monday in March.

FMC 2.20.030(C) currently requires a candidate who receives more than a majority of votes cast in the primary city election for the office for which he is a candidate to be placed alone on the ballot for the general city election. The proposed amendment would not require a candidate who receives a majority of votes cast in the primary election to be placed on the ballot for the general city election. Instead, the candidate who receives a majority of votes cast in the primary election will be declared elected.

The amendment to FMC 2.20.030 will also establish when a candidate who is declared elected at the primary city election can take office. If the primary election was held on the second Tuesday of June of an even numbered year, the elected candidate will take office at the first regular City Council meeting in January following the primary city election. (For example, if a candidate is declared elected in June 2022, the elected candidate would take office in January 2023).

**Bill No. 790: AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.050 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE DATES OF THE GENERAL CITY ELECTION; MAYOR AND COUNCIL MEMBER ELECTION REQUIREMENTS; COMMENCEMENT OF DUTIES FOR ELECTED OFFICERS FOLLOWING GENERAL CITY ELECTION; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.**

Bill No. 790 would amend Title 2, Chapter 2.20, Section 2.20.050 of the Fallon Municipal Code and change the date of the general city election. The amendment would also establish when the Council Members and Mayor shall be elected and when they shall take office.

Fallon Municipal Code 2.20.050(A) currently requires the general city election to be held on the first Tuesday after the first Monday in June on the odd-numbered years commencing in 2009, and on the same day every two years thereafter. Fallon Municipal Code 2.20.050(B) currently provides that for the election in June 2009, a Councilman for Ward 1 and a Councilman for Ward 3 shall be elected to serve a term of four years. For the the election in June 2011, the Mayor and Councilman for Ward 2 shall be elected to serve a term of four years.

The amendment to FMC 2.20.050 would change the date of the general city election to the first Tuesday after the first Monday in November 2022 and every 2 years thereafter. The Council Member for Ward 1 and Council Member for Ward 3 shall be elected on the first Tuesday after the first Monday in November 2022 and shall hold office for 4 years. The Council Member for Ward 2 and the Mayor shall be elected on the first Tuesday after the first Monday in November 2024 and shall hold office for 4 years.

The amendment to FMC 2.20.050 would add language establishing that an elected officer will enter upon the discharge of their respective duties on the first regular meeting of the City Council held in January of the year following the general city election.

PREPARED BY: Trent deBraga, Deputy City Attorney

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.020 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE DATES OF THE PRIMARY ELECTIONS OF THE CITY OF FALLON; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.20.020 currently requires a primary city election to be held on the first Tuesday after the first Monday in April in every year in which a general city election is to be held;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS Chapter 293C governs city elections;

WHEREAS, NRS 293C.115 mandates the City Council to provide for a primary city election and a general city election via ordinance pursuant to the provisions of NRS Chapter 293C.

WHEREAS, NRS 293C.175 requires a primary city election of population category two to be held on the second Tuesday in June of each even-numbered year;

WHEREAS, NRS 266.055 defines population category two as cities having 5,000 or more but less than 50,000 inhabitants;

WHEREAS, the City Council desires to amend Fallon Municipal Code 2.20.020 to conform to NRS 293C.175.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.20, Section 2.20.020 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.20

MUNICIPAL ELECTIONS

2.20.020 Primary election.

A primary municipal election must be held on the second Tuesday in June of each even-numbered year, at which time there must be nominated candidates for offices to be voted for at the next general city election.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.030 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE REQUIREMENTS FOR PRIMARY ELECTION CANDIDATES OF THE CITY OF FALLON, DECLARATION OF CANDIDACY, TIME FOR FILING, FILING FEES; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.20.030(A) currently requires a candidate for any office to be voted for at the primary city election to file a declaration of candidacy with the City Clerk not less than sixty days nor more than seventy days before the date of the primary city election;

WHEREAS, Fallon Municipal Code 2.20.030(C) currently requires the name of a candidate who receives more than a majority of votes cast in the primary city election for the office for which he is a candidate to be placed alone on the ballot for the general city election;

WHEREAS, Fallon Municipal Code 2.20.030(C) further provides that if no candidate receives a majority of the votes cast in the primary city election for the office for which he is a candidate, the names of the two candidates receiving the highest number of votes must be placed on the ballot for the general city election;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS Chapter 293C governs city elections;

WHEREAS, NRS 293C.175 governs the filing for declaration of candidacy in primary city elections, collection of filing fees from a candidate filing a declaration of candidacy, the procedure for candidates who receive a majority of votes cast in the primary election and the procedure when no candidate receives a majority of votes cast in a primary city election;

WHEREAS, the City Council desires to amend Fallon Municipal Code 2.20.030 to conform to NRS 293C.175.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.20, Section 2.20.030 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.20

MUNICIPAL ELECTIONS

2.20.030 Primary Election Candidates-Declaration of Candidacy-Time for Filing-Filing Fees.

- A. A candidate for an office to be voted for at the primary city election must file a declaration of candidacy with the City Clerk not earlier than the first Monday in March of the year in which the applicable election is to be held and not later than 5:00 p.m. on the second Friday after the first Monday in March.
  
- B. At the time that a candidate files a declaration of candidacy, the City Clerk shall charge and collect from the candidate, and the candidate must pay to the City Clerk, a filing fee in an amount fixed by the City Council by resolution. The filing fees collected by the City Clerk must be deposited to the credit of the general fund of the City.
  
- C. If, in the primary city election, one candidate receives a majority of votes cast in that election for the office for which he or she is a candidate, the candidate must be declared elected to the office and the candidate's name must not be placed on the ballot for the general city election. Such candidate shall enter upon his or her respective duties at:
  - i. If the primary city election was held on the second Tuesday of June of an even numbered year, the first regular meeting of the City Council held in January of the year following the primary city election.
  
- D. If, in the primary city election, no candidate receives a majority of votes cast in that election for the office for which he or she is a candidate, the names of the two candidates receiving the highest number of votes must be placed on the ballot for the general city election.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer

**BILL NO. 790**

**ORDINANCE NO.**

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.050 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE DATES OF THE GENERAL CITY ELECTION; MAYOR AND COUNCIL MEMBER ELECTION REQUIREMENTS; COMMENCEMENT OF DUTEIS FOR ELECTED OFFICERS FOLLOWING GENERAL CITY ELECTION; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.20.050(A) currently requires the general city election to be held on the first Tuesday after the first Monday in June on the odd-numbered years commencing in 2009, and on the same day every two years thereafter;

WHEREAS, Fallon Municipal Code 2.20.050(B) provides that for the election in June 2009, a councilman for Ward 1 and a councilman for Ward 3 shall be elected to serve a term of four years;

WHEREAS, Fallon Municipal Code 2.20.050(C) provides that for the election in June 2011, a mayor and councilman for Ward 2 shall be elected to serve a term of four years;

WHEREAS, Fallon Municipal Code 2.20.050(D) provides that the mayor must be voted upon by the electors of the city at large and candidates for councilmen must be voted upon by the electors of their respective wards to represents the wards in which they reside;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS Chapter 293C governs city elections;

WHEREAS, NRS 293C.115 mandates the City Council to provide for a primary city election and a general city election via ordinance on the dates set forth for primary city elections and general city elections pursuant to the provisions of NRS Chapter 293C.

WHEREAS, NRS 293C.140 establishes when a general city election must be held and establishes the successive intervals at which time there must be elected the elective city officers;

WHEREAS, Assembly Bill 50, Section 51, passed in the 80<sup>th</sup> Nevada Legislative session established the term limits for elective city officers elected at such general city election in June 2017, and June 2019;



WHEREAS, the City Council desires to amend Fallon Municipal Code 2.20.050 to conform to NRS 293C.140.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.20, Section 2.20.050 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.20

MUNICIPAL ELECTIONS

2.20.050-Time for the General City Election-Mayor and Council Member Election Requirements.

- A. A general city election must be held on the first Tuesday after the first Monday in November 2022, and at each successive interval of 2 years, at which time there must be elected the elective city officers, the offices of which are required next to be filled by election.
- B. On the first Tuesday after the first Monday in November 2022, and at each successive interval of 4 years, a Council Member for Ward 1 and a Council Member for Ward 3 shall be elected and shall hold office for a period of 4 years. The Council Member for Ward 1 shall be elected only by the electors who reside in Ward 1 and the Council Member for Ward 3 shall be elected only by the electors who reside in Ward 3.
- C. On the first Tuesday after the first Monday in November 2024, and at each successive interval of 4 years, a Mayor and Council Member for Ward 2 shall be elected and shall hold office for a period of 4 years. The Mayor shall be elected by the electors of the city at large and the Council Member for Ward 2 shall be elected only by the electors who reside in Ward 2.
- D. An officer so elected shall qualify and enter upon the discharge of his or her respective duties on the first regular meeting of the City Council held in January of the year following the general city election.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye:\_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer

# January 28, 2022

## Agenda Item 6

Set public hearing date for Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto.

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 6

DATE SUBMITTED: January 24, 2022

AGENDA DATE REQUESTED: January 28, 2022

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Set public hearing date for Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto.

Resolution                                       Ordinance  
 Formal Action/Motion                       Other

POSSIBLE ACTION: Set public hearing date for February 15, 2022 at 9:00 a.m. for Bill Nos. 788, 789, and 790: Ordinances amending Title 2, Chapter 2.20, Sections 2.20.020, 2.20.030, and 2.20.050 of the City of Fallon Municipal Code for the purpose of changing the dates of primary and general city elections, requirements for primary election candidates, and commencement of office for elected officers following general city election; and for other matters properly related thereto.

DISCUSSION: None.

PREPARED BY: Trent deBraga, Deputy City Attorney

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.020 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE DATES OF THE PRIMARY ELECTIONS OF THE CITY OF FALLON; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.20.020 currently requires a primary city election to be held on the first Tuesday after the first Monday in April in every year in which a general city election is to be held;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS Chapter 293C governs city elections;

WHEREAS, NRS 293C.115 mandates the City Council to provide for a primary city election and a general city election via ordinance pursuant to the provisions of NRS Chapter 293C.

WHEREAS, NRS 293C.175 requires a primary city election of population category two to be held on the second Tuesday in June of each even-numbered year;

WHEREAS, NRS 266.055 defines population category two as cities having 5,000 or more but less than 50,000 inhabitants;

WHEREAS, the City Council desires to amend Fallon Municipal Code 2.20.020 to conform to NRS 293C.175.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.20, Section 2.20.020 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.20

MUNICIPAL ELECTIONS

2.20.020 Primary election.

A primary municipal election must be held on the second Tuesday in June of each even-numbered year, at which time there must be nominated candidates for offices to be voted for at the next general city election.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.030 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE REQUIREMENTS FOR PRIMARY ELECTION CANDIDATES OF THE CITY OF FALLON, DECLARATION OF CANDIDACY, TIME FOR FILING, FILING FEES; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.20.030(A) currently requires a candidate for any office to be voted for at the primary city election to file a declaration of candidacy with the City Clerk not less than sixty days nor more than seventy days before the date of the primary city election;

WHEREAS, Fallon Municipal Code 2.20.030(C) currently requires the name of a candidate who receives more than a majority of votes cast in the primary city election for the office for which he is a candidate to be placed alone on the ballot for the general city election;

WHEREAS, Fallon Municipal Code 2.20.030(C) further provides that if no candidate receives a majority of the votes cast in the primary city election for the office for which he is a candidate, the names of the two candidates receiving the highest number of votes must be placed on the ballot for the general city election;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS Chapter 293C governs city elections;

WHEREAS, NRS 293C.175 governs the filing for declaration of candidacy in primary city elections, collection of filing fees from a candidate filing a declaration of candidacy, the procedure for candidates who receive a majority of votes cast in the primary election and the procedure when no candidate receives a majority of votes cast in a primary city election;

WHEREAS, the City Council desires to amend Fallon Municipal Code 2.20.030 to conform to NRS 293C.175.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.20, Section 2.20.030 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.20

MUNICIPAL ELECTIONS

2.20.030 Primary Election Candidates-Declaration of Candidacy-Time for Filing-Filing Fees.

- A. A candidate for an office to be voted for at the primary city election must file a declaration of candidacy with the City Clerk not earlier than the first Monday in March of the year in which the applicable election is to be held and not later than 5:00 p.m. on the second Friday after the first Monday in March.
  
- B. At the time that a candidate files a declaration of candidacy, the City Clerk shall charge and collect from the candidate, and the candidate must pay to the City Clerk, a filing fee in an amount fixed by the City Council by resolution. The filing fees collected by the City Clerk must be deposited to the credit of the general fund of the City.
  
- C. If, in the primary city election, one candidate receives a majority of votes cast in that election for the office for which he or she is a candidate, the candidate must be declared elected to the office and the candidate's name must not be placed on the ballot for the general city election. Such candidate shall enter upon his or her respective duties at:
  - i. If the primary city election was held on the second Tuesday of June of an even numbered year, the first regular meeting of the City Council held in January of the year following the primary city election.
  
- D. If, in the primary city election, no candidate receives a majority of votes cast in that election for the office for which he or she is a candidate, the names of the two candidates receiving the highest number of votes must be placed on the ballot for the general city election.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_



Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.20, SECTION 2.20.050 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE DATES OF THE GENERAL CITY ELECTION; MAYOR AND COUNCIL MEMBER ELECTION REQUIREMENTS; COMMENCEMENT OF DUTEIS FOR ELECTED OFFICERS FOLLOWING GENERAL CITY ELECTION; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.20.050(A) currently requires the general city election to be held on the first Tuesday after the first Monday in June on the odd-numbered years commencing in 2009, and on the same day every two years thereafter;

WHEREAS, Fallon Municipal Code 2.20.050(B) provides that for the election in June 2009, a councilman for Ward 1 and a councilman for Ward 3 shall be elected to serve a term of four years;

WHEREAS, Fallon Municipal Code 2.20.050(C) provides that for the election in June 2011, a mayor and councilman for Ward 2 shall be elected to serve a term of four years;

WHEREAS, Fallon Municipal Code 2.20.050(D) provides that the mayor must be voted upon by the electors of the city at large and candidates for councilmen must be voted upon by the electors of their respective wards to represents the wards in which they reside;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS Chapter 293C governs city elections;

WHEREAS, NRS 293C.115 mandates the City Council to provide for a primary city election and a general city election via ordinance on the dates set forth for primary city elections and general city elections pursuant to the provisions of NRS Chapter 293C.

WHEREAS, NRS 293C.140 establishes when a general city election must be held and establishes the successive intervals at which time there must be elected the elective city officers;

WHEREAS, Assembly Bill 50, Section 51, passed in the 80<sup>th</sup> Nevada Legislative session established the term limits for elective city officers elected at such general city election in June 2017, and June 2019;

WHEREAS, the City Council desires to amend Fallon Municipal Code 2.20.050 to conform to NRS 293C.140.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.20, Section 2.20.050 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.20

MUNICIPAL ELECTIONS

2.20.050-Time for the General City Election-Mayor and Council Member Election Requirements.

- A. A general city election must be held on the first Tuesday after the first Monday in November 2022, and at each successive interval of 2 years, at which time there must be elected the elective city officers, the offices of which are required next to be filled by election.
- B. On the first Tuesday after the first Monday in November 2022, and at each successive interval of 4 years, a Council Member for Ward 1 and a Council Member for Ward 3 shall be elected and shall hold office for a period of 4 years. The Council Member for Ward 1 shall be elected only by the electors who reside in Ward 1 and the Council Member for Ward 3 shall be elected only by the electors who reside in Ward 3.
- C. On the first Tuesday after the first Monday in November 2024, and at each successive interval of 4 years, a Mayor and Council Member for Ward 2 shall be elected and shall hold office for a period of 4 years. The Mayor shall be elected by the electors of the city at large and the Council Member for Ward 2 shall be elected only by the electors who reside in Ward 2.
- D. An officer so elected shall qualify and enter upon the discharge of his or her respective duties on the first regular meeting of the City Council held in January of the year following the general city election.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye:\_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer

# January 28, 2022

## Agenda Item 7

Introduction of Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto. **(This agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended.)**

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 7

DATE SUBMITTED: January 24, 2022

AGENDA DATE REQUESTED: January 28, 2022

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Introduction of Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto. **(This agenda item is for possible introduction of the proposed ordinance only. If introduced, a public hearing on the proposed ordinance will be set in the next agenda item and no further action can or will be taken at this meeting. At the public hearing, which will be properly noticed and advertised, the City Council will take comment and then consider possible adoption of the ordinance as introduced or amended.)**

Resolution                       Ordinance  
 Formal Action/Motion           Other

POSSIBLE COUNCIL ACTION: Introduce Bill No 791 by reading its title into the record.

**BILL NO. 791: AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.40, SECTION 2.40.020 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE APPOINTMENT DATES OF APPOINTIVE OFFICERS; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.**

DISCUSSION: The proposed Ordinance will be read by title to the City Council. If introduced by a City Councilperson, a public hearing on the proposed ordinance will be set for February 15, 2022, at 9:00 a.m. and no further action can or will be taken at this meeting.

FMC 2.40.010 currently sets the term of office of all appointive officers at two years, ending on the 30<sup>th</sup> day of June following each municipal election. Due to the changes to the general city elections required by NRS Chapter 293C and the days when elected officials take office, an amendment is necessary to align the dates of appointed officers with the days elected officials take office. The amendment would end the two-year term of appointed officers on the second Tuesday in January of each odd numbered year following the November 2022 general election.

PREPARED BY: Trent deBraga, Deputy City Attorney

**BILL NO. 791**

**ORDINANCE NO.**

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.40, SECTION 2.40.020 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE APPOINTMENT DATES OF APPOINTIVE OFFICERS; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.40.010 authorizes the Mayor, by and with the advice and consent of the City Council, to appoint all such officers as may be provided by law or ordinance;

WHEREAS, Fallon Municipal Code 2.40.010 provides appointed officers shall receive such salary as may from time to time be fixed therefor by ordinance, properly approved and passed by the City Council, which shall be paid in the same manner and at the same time as the compensation of other city employees is paid;

WHEREAS, Fallon Municipal Code 2.40.020 sets the term of office of all appointive officers at two years, currently ending on the 30<sup>th</sup> day of June following each municipal election and until their successors are duly appointed and qualified;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS 293C.140 establishes when a general city election must be held and establishes the successive intervals at which time there must be elected the elective city officers;

WHEREAS, NRS 293.140 requires a general city election to be held on the first Tuesday after the first Monday in November 2022, and at each successive interval of 2 years, at which time there must be elected the elective city officers, the offices of which are required next to be filled by election;

WHEREAS, due to the changes to general city elections required by NRS Chapter 293C, the City Council desires to amend Fallon Municipal Code 2.40.020.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.40, Section 2.40.020 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.40

APPOINTIVE OFFICERS

2.40.020 Term of Office.

The term of office of all appointive officers shall be two years, ending on the second Tuesday in January of each odd numbered year following the November 2022 general election and until their successors are duly appointed and qualified, unless sooner removed by the Mayor, with the concurrence of a majority of the members of the City Council; but any such person so appointed may be removed by the votes of all the members of the City Council, if the City Council shall by resolution so provide.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer



# January 28, 2022

## Agenda Item 8

Set public hearing date for Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto.

FALLON  
Incorporated 1908

**CITY OF FALLON  
REQUEST FOR COUNCIL ACTION**

Agenda Item No. 8

DATE SUBMITTED: January 24, 2022

AGENDA DATE REQUESTED: January 28, 2022

TO: The Honorable City Council

FROM: Trent deBraga, Deputy City Attorney

SUBJECT TITLE: Set public hearing date for Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto.

Resolution                                       Ordinance  
 Formal Action/Motion                               Other

POSSIBLE ACTION: Set public hearing date for February 15, 2022, at 9:00 a.m. for Bill No 791: An ordinance amending Title 2, Chapter 2.40, Section 2.40.020, of the City of Fallon Municipal Code for the purpose of changing the appointment dates of appointive officers; and for other matters properly related thereto.

DISCUSSION: None.

PREPARED BY: Trent deBraga, Deputy City Attorney

**BILL NO. 791**

**ORDINANCE NO.**

AN ORDINANCE AMENDING TITLE 2, CHAPTER 2.40, SECTION 2.40.020 OF THE CITY OF FALLON MUNICIPAL CODE FOR THE PURPOSE OF CHANGING THE APPOINTMENT DATES OF APPOINTIVE OFFICERS; AND FOR OTHER MATTERS PROPERLY RELATED THERETO.

\*\*\*\*\*

WHEREAS, Fallon Municipal Code 2.40.010 authorizes the Mayor, by and with the advice and consent of the City Council, to appoint all such officers as may be provided by law or ordinance;

WHEREAS, Fallon Municipal Code 2.40.010 provides appointed officers shall receive such salary as may from time to time be fixed therefor by ordinance, properly approved and passed by the City Council, which shall be paid in the same manner and at the same time as the compensation of other city employees is paid;

WHEREAS, Fallon Municipal Code 2.40.020 sets the term of office of all appointive officers at two years, currently ending on the 30<sup>th</sup> day of June following each municipal election and until their successors are duly appointed and qualified;

WHEREAS, Assembly Bill 50 was passed in the 80<sup>th</sup> Nevada Legislative session revising provisions governing the dates for certain city elections; revising provisions relating to candidates in certain city elections; and providing other matters properly related thereto;

WHEREAS, NRS 293C.140 establishes when a general city election must be held and establishes the successive intervals at which time there must be elected the elective city officers;

WHEREAS, NRS 293.140 requires a general city election to be held on the first Tuesday after the first Monday in November 2022, and at each successive interval of 2 years, at which time there must be elected the elective city officers, the offices of which are required next to be filled by election;

WHEREAS, due to the changes to general city elections required by NRS Chapter 293C, the City Council desires to amend Fallon Municipal Code 2.40.020.

NOW, THEREFORE, the City Council of the City of Fallon do ordain that Title 2, Chapter 2.40, Section 2.40.020 of the City of Fallon Municipal Code be amended to read, in its entirety, as follows:

Chapter 2.40

APPOINTIVE OFFICERS

2.40.020 Term of Office.

The term of office of all appointive officers shall be two years, ending on the second Tuesday in January of each odd numbered year following the November 2022 general election and until their successors are duly appointed and qualified, unless sooner removed by the Mayor, with the concurrence of a majority of the members of the City Council; but any such person so appointed may be removed by the votes of all the members of the City Council, if the City Council shall by resolution so provide.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by:

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2022.

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

Those abstaining: \_\_\_\_\_

\_\_\_\_\_  
KEN TEDFORD  
Mayor

ATTEST: \_\_\_\_\_  
SEAN RICHARDSON  
City Clerk-Treasurer