



FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
WITH REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WEST WENDOVER, NEVADA

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CITY OF WEST WENDOVER, NEVADA

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FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and City Council
West Wendover, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of West Wendover, Nevada as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Wendover, Nevada, as of June 30, 2014, 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 and budgetary comparison information, as listed in the table of contents, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Wendover, Nevada's basic financial statements. The major fund budgetary comparison schedules and the combining and individual nonmajor fund budgetary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The major fund budgetary comparison schedules and the combining and individual nonmajor fund budgetary schedules, as listed in the table of contents, 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 major fund budgetary comparison schedules and the combining and individual nonmajor fund budgetary schedules, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2014, on our consideration of the City of West Wendover, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of West Wendover, Nevada's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hinton Burdick, PLLC". The signature is written in a cursive, flowing style.

HintonBurdick, PLLC
St. George, Utah
October 31, 2014

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CITY OF WEST WENDOVER, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of West Wendover (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Total assets exceed total liabilities (net position) by \$29.2 million at the close of the fiscal year.
- Total net position decreased by \$383,456 from the prior year.
- Governmental activities net position decreased by (\$587,212). Business-type net position increased by \$203,756.
- Total revenues from all governmental sources were \$8.0 million and the total cost of all City programs was \$8.5 million
- The General Fund revenues exceeded expenditures, excluding transfers, by \$131,455.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$178,743, or 3% of total General Fund expenditures, excluding transfers.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the City as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. (3) Notes to the financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the City’s basic services are considered to be governmental activities, including general government, judicial, public safety, community development, health and sanitation, culture and recreation, community support, and interest on long-term debt. Consolidated tax, room tax, ad valorem tax, county gaming tax, franchise tax, right of way tolls, motor vehicle tax, and unrestricted investment earnings finance these activities.
- Proprietary activities/Business type activities – The City charges a fee to customers to cover all or most of the cost of the services provided. The City’s water, sewer, and garbage / compost systems are reported in this category.

Reporting the City’s Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and others are established by City resolution or by bond covenants. However, management establishes many other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City’s two kinds of funds, *governmental* and *proprietary*, use different accounting approaches as explained below.

- *Governmental funds* – Most of the City’s basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* accounting method, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City’s general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation included with the Basic Financial Statements.
- *Proprietary funds* – The City maintains enterprise and internal service funds under this category. Enterprise funds are used to account for functions presented in the business-type section of the government-wide financial statements. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government.

Notes to the Financial Statements

Notes to the financial statements are included to provide information that is crucial to the full and complete understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the City's financial position. The City's combined assets exceed liabilities by \$29.2 million as of June 30, 2014 as shown in the following condensed statement of net position. The City has chosen to account for its water, sewer, and garbage/compost operations in enterprise funds which are shown as Business Activities.

City of West Wendover, Nevada Statement of Net Position

	Governmental activities		Business-type activities		Combined Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Assets						
Current and other assets	\$ 1,718,288	\$ 2,371,183	\$ 10,042,608	\$ 7,456,011	\$ 11,760,896	\$ 9,827,194
Net capital assets	18,397,334	18,584,939	17,097,552	17,955,847	35,494,886	36,540,786
Total assets	<u>20,115,622</u>	<u>20,956,122</u>	<u>27,140,160</u>	<u>25,411,858</u>	<u>47,255,782</u>	<u>46,367,980</u>
Liabilities						
Current liabilities	726,910	679,110	222,265	281,585	949,175	960,695
Long-term liabilities outstanding	<u>7,224,759</u>	<u>7,525,847</u>	<u>9,898,205</u>	<u>8,314,339</u>	<u>17,122,964</u>	<u>15,840,186</u>
Total liabilities	<u>7,951,669</u>	<u>8,204,957</u>	<u>10,120,470</u>	<u>8,595,924</u>	<u>18,072,139</u>	<u>16,800,881</u>
Net position:						
Net investment in capital assets	11,412,947	11,287,597	12,422,853	12,673,135	23,835,800	23,960,732
Restricted	166,038	204,732	921,599	830,268	1,087,637	1,035,000
Unrestricted	<u>584,968</u>	<u>1,258,836</u>	<u>3,675,238</u>	<u>3,312,531</u>	<u>4,260,206</u>	<u>4,571,367</u>
Total net position	<u>\$ 12,163,953</u>	<u>\$ 12,751,165</u>	<u>\$ 17,019,690</u>	<u>\$ 16,815,934</u>	<u>\$ 29,183,643</u>	<u>\$ 29,567,099</u>

Governmental Activities

The cost of all Governmental activities this year was \$8,562,011. As shown on the statement of Changes in Net Position on the following page, \$671,550 of this cost was paid for by those who directly benefited from the programs; \$300,024 was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$971,574. General taxes, asset sales, and other general revenues totaled \$7,003,225.

The City's programs include: general government, judicial, public safety, community development, health and sanitation, culture and recreation, community support, and interest on long-term debt. Each programs' total cost is presented below.

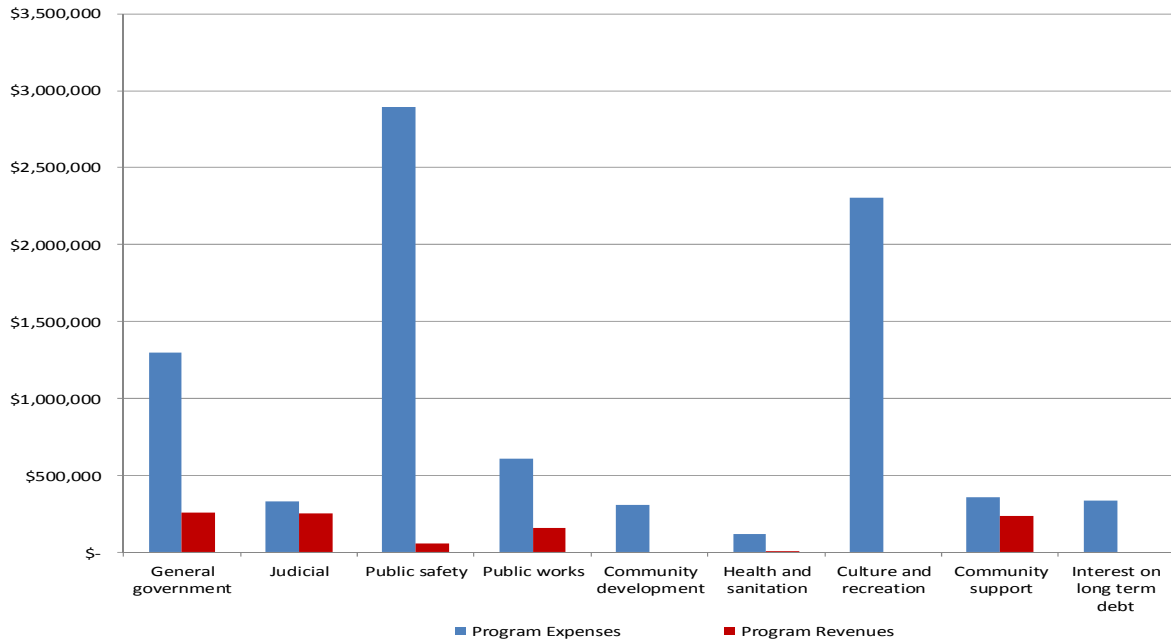
**City of West Wendover, Nevada
Changes in Net Position**

	Governmental activities		Business-type activities		Combined Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Revenues:						
Program revenues:						
Charges for services	\$ 671,550	\$ 595,590	\$ 3,307,606	\$ 3,486,451	\$ 3,979,156	\$ 4,082,041
Operating grants	241,529	251,546	-	-	241,529	251,546
Capital grants	58,495	1,136,703	14,270	1,039,739	72,765	2,176,442
General revenues:						
Consolidated taxes	2,438,541	2,728,320	-	-	2,438,541	2,728,320
Room taxes	2,274,467	2,486,675	-	-	2,274,467	2,486,675
Ad valorem taxes	1,172,797	1,147,542	-	-	1,172,797	1,147,542
County gaming taxes	428,794	426,443	-	-	428,794	426,443
Franchise taxes	362,934	357,854	-	-	362,934	357,854
Right of way toll	207,476	219,939	-	-	207,476	219,939
Motor vehicle taxes	109,435	116,288	-	-	109,435	116,288
Unrestricted investment earnings	2,034	3,721	144,650	147,114	146,684	150,835
Gain on sale of capital assets	-	58,034	-	-	-	58,034
Miscellaneous revenues	6,747	21,738	263,502	60,372	270,249	82,110
Total revenues	<u>7,974,799</u>	<u>9,550,393</u>	<u>3,730,028</u>	<u>4,733,676</u>	<u>11,704,827</u>	<u>14,284,069</u>
Expenses:						
General government	1,297,318	1,375,926	-	-	1,297,318	1,375,926
Judicial	328,295	303,785	-	-	328,295	303,785
Public safety	2,896,752	2,704,663	-	-	2,896,752	2,704,663
Public works	611,263	532,926	-	-	611,263	532,926
Community development	309,471	222,145	-	-	309,471	222,145
Health and sanitation	120,182	155,563	-	-	120,182	155,563
Culture and recreation	2,302,262	2,562,942	-	-	2,302,262	2,562,942
Community support	359,064	299,234	-	-	359,064	299,234
Interest on long term debt	337,404	340,467	-	-	337,404	340,467
Water	-	-	1,350,482	1,264,311	1,350,482	1,264,311
Sewer	-	-	1,336,325	1,152,654	1,336,325	1,152,654
Garbage/Compost	-	-	839,465	846,649	839,465	846,649
Total expenses	<u>8,562,011</u>	<u>8,497,651</u>	<u>3,526,272</u>	<u>3,263,614</u>	<u>12,088,283</u>	<u>11,761,265</u>
Increase in net position before transfers	(587,212)	1,052,742	203,756	1,470,062	(383,456)	2,522,804
Transfers	-	-	-	-	-	-
Increase in net position	(587,212)	1,052,742	203,756	1,470,062	(383,456)	2,522,804
Net position, beginning	12,751,165	11,698,423	16,815,934	15,345,872	29,567,099	27,044,295
Net position, ending	<u>\$ 12,163,953</u>	<u>\$ 12,751,165</u>	<u>\$ 17,019,690</u>	<u>\$ 16,815,934</u>	<u>\$ 29,183,643</u>	<u>\$ 29,567,099</u>

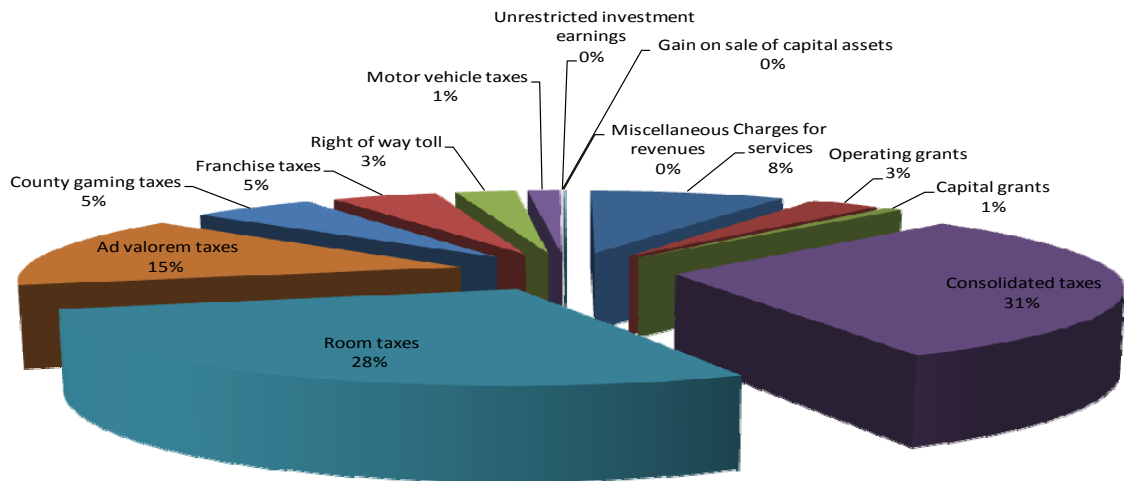
Total resources available during the year to finance governmental operations were \$20.8 million consisting of Net position at July 1, 2013 of \$12.8 million, program revenues of \$1.0 million and General Revenue of \$7.0 million. Total Governmental Activities during the year were \$8.5 million; thus Governmental Net Position decreased by \$0.6 million to \$12.2 million.

The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all government activities.

Expenses and Program Revenues - Governmental Activities

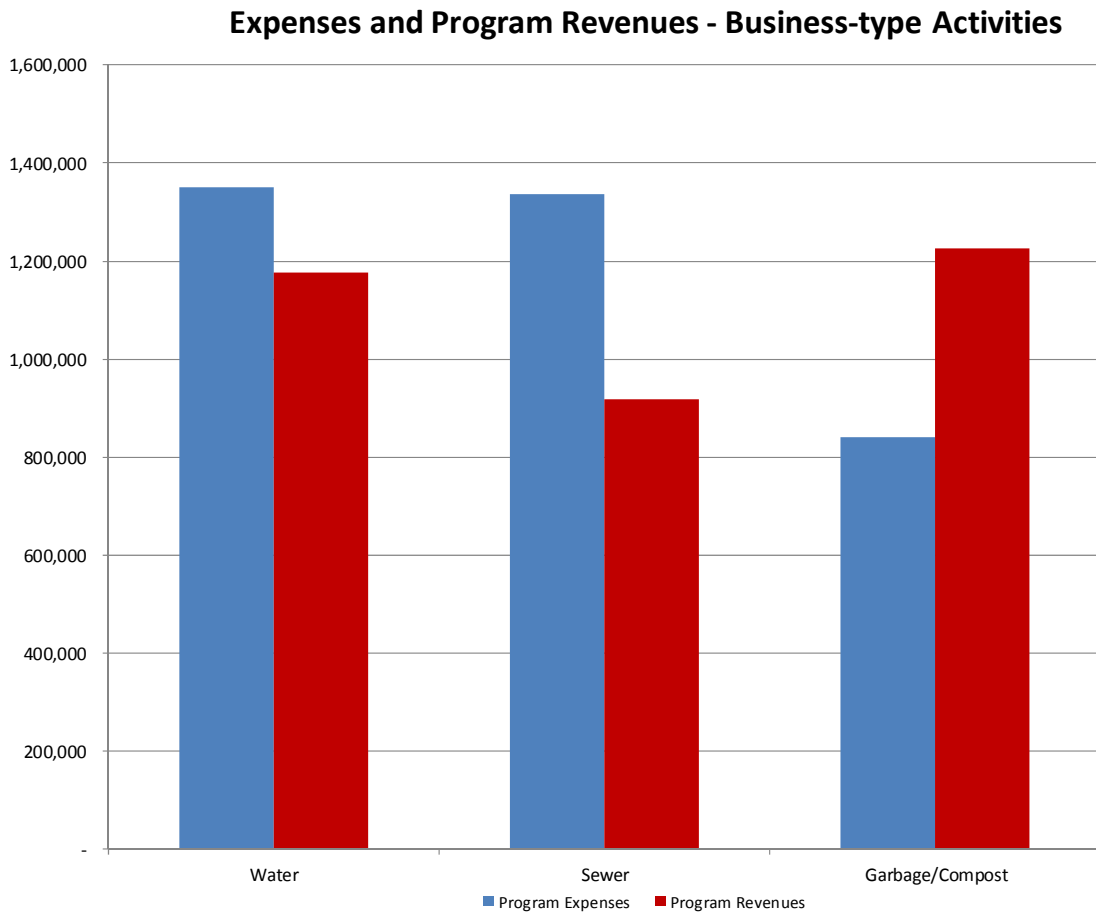


Revenues By Source - Governmental Activities



Business Type Activities

Net position of the Business Type activities at June 30, 2014, as reflected in the Statement of Net Position was \$17.0 million. The cost of providing all Proprietary (Business Type) activities this year was \$3.5 million. As shown in the Statement of Activities, the amounts paid by users of the system were \$3.3 million and \$14,270 was subsidized by capital grants and contributions. Unrestricted investment earnings totaled 144,650; other revenue totaled \$263,502, thus, net position increased by \$203,756.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of West Wendover's governmental funds reported combined ending fund balances of \$827,004, a decrease of \$745,192 in comparison with the prior year. Approximately, 22% of this total amount or \$178,743 million constitutes unassigned fund balance, which is available for new spending at the government's discretion. The remainder of the fund balance is non-spendable, restricted, or committed because it has already been committed 1) to pay debt service, 2) to pay for capital improvements or 3) for a variety of other restricted or committed purposes.

The general fund is the chief operating fund of the City of West Wendover. At the end of the current fiscal year, unassigned fund balance in the general fund was \$178,743, and total fund balance is \$462,060. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 3% of total general fund expenditures. During the year, the City of West Wendover's general fund balance was budgeted to decreased by \$992,000. Key factors in this decrease are as follows:

- State revenue distributions decreased year over year by \$289,779.
- Increases in public safety expenses of \$427,724 from the prior year, see budget to actual schedule on page 53.
- Increases in transfers to other funds to cover various projects of the City

The recreation fund has a fund balance of \$129,992, all of which is restricted for culture and recreation appropriation.

The capital projects fund has a total fund balance of \$151,525 restricted for various capital projects for the City needs.

Proprietary funds: The City of West Wendover's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the proprietary funds was \$17,019,690 at year end.

General Fund Budgetary Highlights

Actual expenditures for the General Fund at year-end were \$242,653 less than the final budget. The favorable budget to actual variance in appropriations was principally due to less salaries, wages, and benefits than anticipated in Public Safety. Actual revenues were less than the final budget by \$13,498.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the City are those assets that are used in performance of City functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities and roads. At the end of fiscal year 2014, net capital assets of the government activities totaled \$18.4 million and the net capital assets of the business-type activities totaled \$17.1 million. Depreciation on governmental-type capital assets is recognized in the Government-Wide financial statements. (See note 6 to the financial statements.)

Debt

At year-end, the City had \$7.2 million in governmental type debt, and \$9.9 million in proprietary debt. The debt is a liability of the government and amounts to \$3,806 per capita (4,498 – 2013 population US Census Bureau Website 2013). The City's total debt net increase was \$1.3 million. (See note 7 to the financial statements for detailed descriptions.)

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the City Budget for fiscal year 2014-2015, the City Council and management remained cautious as to the growth of revenues and expenditures.

The current labor contracts, effective July 1, 2012 and expire June 30, 2015 provide for annual pay adjustments. The police contract includes a 2% increase and the local agreement includes a 1% increase for fiscal year 2015.

Projects that are a part of the City Budget for fiscal year 2014-2015 are as follows:

- In conjunction with the addition of a new public elementary school funded by the Elko County School District, the City will be part of the completion of Florence Way Blvd Phase 3. Preliminary work will also proceed for Florence Way Blvd Phase 2, to be completed in fiscal year 2016.
- The new Public Works building is still in design and is planned to be completed by the end of the 2015 fiscal year.
- The City has been awarded funding from the State Revolving Fund combined with a USDA loan for the rehabilitation of a water tank and water lines which should be completed by the end of the year.
- Public park additions are being considered as well as Networking and Interoperability Services for the City, Dispatch and Emergency Services for this next fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City's Chief Financial Officer at the City of West Wendover, 1111 N. Gene L. Jones Way, West Wendover, Nevada 89883 or visit us online at <http://www.westwendovercity.com>

BASIC FINANCIAL STATEMENTS

CITY OF WEST WENDOVER, NEVADA
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Johnson Springs
Assets				
Cash and temporary investments	\$ 358,464	\$ 3,282,134	\$ 3,640,598	\$ 1,481,626
Accounts receivable, net	1,201,995	293,124	1,495,119	62,463
Due from component unit	-	3,035,890	3,035,890	-
Internal balances	(317,716)	317,716	-	-
Inventory	48,962	89,514	138,476	15,053
Prepaid items	275,058	6,631	281,689	-
Restricted cash	151,525	3,017,599	3,169,124	45,316
Capital assets not being depreciated:				
Land	2,094,481	111,000	2,205,481	18,000
Construction in progress	-	195,889	195,889	13,908
Capital assets, net of accumulated depreciation:				
Buildings, net	8,885,515	313,086	9,198,601	2,761,077
Improvements other than buildings, net	6,563,217	2,231,118	8,794,335	352,183
Machinery and equipment, net	854,121	841,388	1,695,509	132,450
Utility systems	-	13,405,071	13,405,071	3,625,503
Total assets	<u>\$ 20,115,622</u>	<u>\$ 27,140,160</u>	<u>\$ 47,255,782</u>	<u>\$ 8,507,579</u>
Liabilities				
Accounts payable	\$ 396,299	\$ 58,787	\$ 455,086	\$ 31,115
Accrued interest payable	40,610	158,643	199,253	1,276
Accrued expenses	222,551	-	222,551	1,687
Due to primary government	-	-	-	3,035,890
Unearned revenue	67,450		67,450	-
Deposits payable	-	4,835	4,835	-
Noncurrent liabilities				
Due within one year	742,771	730,753	1,473,524	29,965
Due in more than one year	6,481,988	9,167,452	15,649,440	1,662,488
Total liabilities	<u>7,951,669</u>	<u>10,120,470</u>	<u>18,072,139</u>	<u>4,762,421</u>
Net Position				
Net investment in capital assets	11,412,947	12,422,853	23,835,800	2,184,645
Restricted for:				
Judicial	36,046	-	36,046	-
Culture and recreation	129,992	-	129,992	-
Debt service	-	921,599	921,599	45,316
Unrestricted	584,968	3,675,238	4,260,206	1,515,197
Total net position	<u>\$ 12,163,953</u>	<u>\$ 17,019,690</u>	<u>\$ 29,183,643</u>	<u>\$ 3,745,158</u>

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

CITY OF WEST WENDOVER, NEVADA
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental:								
General government	\$ 1,297,318	\$ 259,846	\$ 750	\$ -	\$ (1,036,722)	\$ -	\$ (1,036,722)	\$ -
Judicial	328,295	251,949	-	-	(76,346)	-	(76,346)	-
Public safety	2,896,752	27,126	32,709	-	(2,836,917)	-	(2,836,917)	-
Public works	611,263	102,539	-	57,965	(450,759)	-	(450,759)	-
Community development	309,471	-	-	-	(309,471)	-	(309,471)	-
Health and sanitation	120,182	5,398	-	-	(114,784)	-	(114,784)	-
Culture and recreation	2,302,262	-	-	-	(2,302,262)	-	(2,302,262)	-
Community support	359,064	24,692	208,070	530	(125,772)	-	(125,772)	-
Interest on long term debt	337,404	-	-	-	(337,404)	-	(337,404)	-
Total governmental activities	<u>8,562,011</u>	<u>671,550</u>	<u>241,529</u>	<u>58,495</u>	<u>(7,590,437)</u>	<u>-</u>	<u>(7,590,437)</u>	<u>-</u>
Business-type:								
Water	1,350,482	1,168,739	-	7,441	-	(174,302)	(174,302)	-
Sewer	1,336,325	911,937	-	6,829	-	(417,559)	(417,559)	-
Garbage/Compost	839,465	1,226,930	-	-	-	387,465	387,465	-
Total business-type activities	<u>3,526,272</u>	<u>3,307,606</u>	<u>-</u>	<u>14,270</u>	<u>-</u>	<u>(204,396)</u>	<u>(204,396)</u>	<u>-</u>
Total primary government	<u>\$ 12,088,283</u>	<u>\$ 3,979,156</u>	<u>\$ 241,529</u>	<u>\$ 72,765</u>				
Component Unit:								
Johnson Springs	<u>\$ 1,160,350</u>	<u>\$ 614,507</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(545,843)</u>
General Revenues:								
					2,438,541	-	2,438,541	-
					2,274,467	-	2,274,467	-
					1,172,797	-	1,172,797	-
					428,794	-	428,794	-
					362,934	-	362,934	-
					207,476	-	207,476	-
					109,435	-	109,435	-
					2,034	144,650	146,684	2,213
					6,747	263,502	270,249	-
					<u>7,003,225</u>	<u>408,152</u>	<u>7,141,128</u>	<u>2,213</u>
					(587,212)	203,756	(383,456)	(543,630)
					<u>12,751,165</u>	<u>16,815,934</u>	<u>29,567,099</u>	<u>4,288,788</u>
					<u>\$ 12,163,953</u>	<u>\$ 17,019,690</u>	<u>\$ 29,183,643</u>	<u>\$ 3,745,158</u>

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

CITY OF WEST WENDOVER, NEVADA
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and temporary investments	\$ -	\$ 117,727	\$ -	\$ 94,041	\$ 211,768
Accounts receivable, net	87,592	196,236	-	-	283,828
Due from other governments	745,342	-	-	154,537	899,879
Inventory	48,259	-	-	703	48,962
Prepaid and other items	235,058	-	-	-	235,058
Restricted cash	-	-	151,525	-	151,525
Total assets	<u>\$ 1,116,251</u>	<u>\$ 313,963</u>	<u>\$ 151,525</u>	<u>\$ 249,281</u>	<u>\$ 1,831,020</u>
Liabilities					
Accounts payable	\$ 189,220	\$ 183,971	\$ -	\$ 23,108	\$ 396,299
Accrued liabilities	222,551	-	-	-	222,551
Interfund balances	174,970	-	-	142,746	317,716
Unearned revenue	67,450	-	-	-	67,450
Total liabilities	<u>654,191</u>	<u>183,971</u>	<u>-</u>	<u>165,854</u>	<u>1,004,016</u>
Fund Balance					
Nonspendable	283,317	-	-	703	284,020
Restricted	-	129,992	151,525	36,046	317,563
Committed	-	-	-	46,678	46,678
Unassigned	178,743	-	-	-	178,743
Total fund balances	<u>462,060</u>	<u>129,992</u>	<u>151,525</u>	<u>83,427</u>	<u>827,004</u>
Total liabilities and fund balance	<u>\$ 1,116,251</u>	<u>\$ 313,963</u>	<u>\$ 151,525</u>	<u>\$ 249,281</u>	<u>\$ 1,831,020</u>

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

CITY OF WEST WENDOVER, NEVADA
Reconciliation of the Balance Sheets of Governmental Funds
To the Statement of Net Position
June 30, 2014

Total fund balances - governmental funds	\$	827,004
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets	\$ 24,412,397	
Accumulated depreciation	<u>(6,015,063)</u>	18,397,334
Long-term receivables in the governmental activities are not reported in the funds.		
		18,288
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (6,984,387)	
Compensated absences	\$ (240,372)	
Interest payable	<u>(40,610)</u>	(7,265,369)
The internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		
		186,696
Total net position - governmental activities		<u><u>\$ 12,163,953</u></u>

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

CITY OF WEST WENDOVER, NEVADA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	<u>General Fund</u>	<u>Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$1,137,733	\$2,274,467	\$ -	\$ 35,063	\$ 3,447,263
Licenses and permits	901,254	-	-	-	901,254
Intergovernmental	3,157,248	-	-	245,855	3,403,103
Charges for services	42,248	-	-	11,658	53,906
Fines and forfeits	90,077	-	-	-	90,077
Miscellaneous revenues	74,592	-	3,488	4,373	82,453
Total revenues	<u>5,403,152</u>	<u>2,274,467</u>	<u>3,488</u>	<u>296,949</u>	<u>7,978,056</u>
Expenditures					
Current					
General government	901,430	-	-	-	901,430
Judicial	308,361	-	-	15,731	324,092
Public safety	3,071,561	-	-	-	3,071,561
Public works	452,337	-	-	-	452,337
Community development	310,476	-	-	-	310,476
Health	96,079	-	-	1,235	97,314
Culture and recreation	12,195	2,224,557	-	-	2,236,752
Community support	51,638	-	-	307,453	359,091
Capital outlay	-	-	181,546	141,768	323,314
Debt service	67,620	-	860,320	-	927,940
Total expenditures	<u>5,271,697</u>	<u>2,224,557</u>	<u>1,041,866</u>	<u>466,187</u>	<u>9,004,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,455</u>	<u>49,910</u>	<u>(1,038,378)</u>	<u>(169,238)</u>	<u>(1,026,251)</u>
Other Financing Sources (Uses)					
Capital lease proceeds	281,059	-	-	-	281,059
Transfers in	-	-	1,105,332	198,674	1,304,006
Transfers out	<u>(1,259,006)</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(1,304,006)</u>
Total other financing sources and uses	<u>(977,947)</u>	<u>-</u>	<u>1,105,332</u>	<u>153,674</u>	<u>281,059</u>
Net change in fund balances	(846,492)	49,910	66,954	(15,564)	(745,192)
Fund balances, beginning of year	<u>1,308,552</u>	<u>80,082</u>	<u>84,571</u>	<u>98,991</u>	<u>1,572,196</u>
Fund balances, end of year	<u>\$ 462,060</u>	<u>\$ 129,992</u>	<u>\$ 151,525</u>	<u>\$ 83,427</u>	<u>\$ 827,004</u>

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

CITY OF WEST WENDOVER, NEVADA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds		\$ (745,192)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital outlay	335,467	
Depreciation expense	<u>(782,683)</u>	(447,216)
<p>Governmental funds report the gross proceeds from the sale of capital assets as revenue. However, in the statement of activities, the gain/(loss) on the sale of capital assets is reported net of its net book value.</p>		
		(21,448)
<p>Payments on long term receivables recorded as revenue in the governmental funds are reported as a reduction of receivables in the statement of net position.</p>		
		(2,107)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		594,014
<p>Accrued interest for long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities.</p>		
The adjustment reflects the change in interest payable		(3,478)
<p>Compensated absences 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. This adjustment reflects the change in compensated absences payable.</p>		
		(11,867)
<p>The internal service fund is used by management to charge the cost of insurance to the various funds. The net revenue (loss) of the internal service fund is reported with governmental activities.</p>		
		50,082
Change in net position of governmental activities		<u>\$ (587,212)</u>

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

CITY OF WEST WENDOVER, NEVADA
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage/ Compost Fund</u>	<u>Total Proprietary Funds</u>	<u>Internal Service Fund</u>
Assets					
Current assets					
Cash and investments	\$ 1,888,511	\$ 816,501	\$ 577,122	\$ 3,282,134	\$ 146,696
Accounts receivable, net	74,947	104,403	113,774	293,124	-
Due from other funds	317,716	-	-	317,716	-
Inventory	79,768	9,746	-	89,514	-
Prepaid expenses	776	5,105	750	6,631	40,000
Total current assets	<u>2,361,718</u>	<u>935,755</u>	<u>691,646</u>	<u>3,989,119</u>	<u>186,696</u>
Noncurrent assets					
Restricted cash	2,698,414	21,793	297,392	3,017,599	-
Due from component unit	3,035,890	-	-	3,035,890	-
Capital assets:					
Land	111,000	-	-	111,000	-
Construction in progress	195,889	-	-	195,889	-
Buildings	110,762	-	368,572	479,334	-
Improvements other than buildings	257,887	27,035	4,517,832	4,802,754	-
Machinery and equipment	783,518	1,328,179	1,743,581	3,855,278	-
Utility system	1,471,081	15,820,916	-	17,291,997	-
Less accumulated depreciation	(1,691,879)	(3,983,751)	(3,963,070)	(9,638,700)	-
Total noncurrent assets	<u>6,972,562</u>	<u>13,214,172</u>	<u>2,964,307</u>	<u>23,151,041</u>	<u>-</u>
Total assets	<u>\$ 9,334,280</u>	<u>\$ 14,149,927</u>	<u>\$ 3,655,953</u>	<u>\$ 27,140,160</u>	<u>\$ 186,696</u>
Liabilities					
Current liabilities					
Accounts payable	\$ 39,405	\$ 16,397	\$ 2,985	\$ 58,787	\$ -
Accrued interest payable	96,457	8,537	53,649	158,643	-
Compensated absences	6,226	3,637	6,937	16,800	-
Customer deposits	4,835	-	-	4,835	-
Current portion of noncurrent liabilities	391,403	38,837	283,713	713,953	-
Total current liabilities	<u>538,326</u>	<u>67,408</u>	<u>347,284</u>	<u>953,018</u>	<u>-</u>
Noncurrent liabilities:					
Capital leases payable	-	-	159,768	159,768	-
Bonds payable	5,463,029	2,505,839	1,038,816	9,007,684	-
Total noncurrent liabilities	<u>5,463,029</u>	<u>2,505,839</u>	<u>1,198,584</u>	<u>9,167,452</u>	<u>-</u>
Total liabilities	<u>6,001,355</u>	<u>2,573,247</u>	<u>1,545,868</u>	<u>10,120,470</u>	<u>-</u>
Net Position					
Net investment in capital assets	590,532	10,647,703	1,184,618	12,422,853	-
Restricted for debt service	602,414	21,793	297,392	921,599	-
Unrestricted	2,139,979	907,184	628,075	3,675,238	186,696
Total net position	<u>\$ 3,332,925</u>	<u>\$ 11,576,680</u>	<u>\$ 2,110,085</u>	<u>\$ 17,019,690</u>	<u>\$ 186,696</u>

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

CITY OF WEST WENDOVER, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage/ Compost Fund</u>	<u>Total Proprietary Funds</u>	<u>Internal Service Fund</u>
Operating revenues					
Charges for services	\$1,168,739	\$ 911,937	\$1,226,930	\$ 3,307,606	\$590,921
Operating expenses					
Water purchases	480,304	-	-	480,304	-
Salaries and wages	196,621	205,090	191,655	593,366	-
Employee benefits	92,799	97,577	94,844	285,220	540,839
Services and supplies	252,084	412,849	218,637	883,570	-
Capital outlay	178	8,475	-	8,653	-
Depreciation and amortization	84,990	541,631	267,014	893,635	-
Total operating expenses	<u>1,106,976</u>	<u>1,265,622</u>	<u>772,150</u>	<u>3,144,748</u>	<u>540,839</u>
Operating income (loss)	<u>61,763</u>	<u>(353,685)</u>	<u>454,780</u>	<u>162,858</u>	<u>50,082</u>
Nonoperating revenues (expenses)					
Interest income	143,970	486	194	144,650	-
Impact fees	7,441	6,829	-	14,270	-
Grant revenue	-	-	-	-	-
Miscellaneous income	18,650	225,763	19,089	263,502	-
Loss on disposal of capital assets	(58,861)	-	-	(58,861)	-
Interest expense	(184,645)	(70,703)	(67,315)	(322,663)	-
Total nonoperating revenues (expenses)	<u>(73,445)</u>	<u>162,375</u>	<u>(48,032)</u>	<u>40,898</u>	<u>-</u>
Income before contributions and transfers	<u>(11,682)</u>	<u>(191,310)</u>	<u>406,748</u>	<u>203,756</u>	<u>50,082</u>
Transfers					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	(11,682)	(191,310)	406,748	203,756	50,082
Total net position, beginning	<u>3,344,607</u>	<u>11,767,990</u>	<u>1,703,337</u>	<u>16,815,934</u>	<u>136,614</u>
Total net position, end of year	<u>\$3,332,925</u>	<u>\$11,576,680</u>	<u>\$2,110,085</u>	<u>\$17,019,690</u>	<u>\$186,696</u>

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

CITY OF WEST WENDOVER, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage/ Compost Fund</u>	<u>Total Proprietary Funds</u>	<u>Internal Service Fund</u>
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,281,364	\$ 923,516	\$ 1,212,601	\$ 3,417,481	\$ 590,921
Cash paid to suppliers	(756,352)	(445,749)	(226,261)	(1,428,362)	(580,839)
Cash paid to employees	(289,165)	(303,174)	(285,399)	(877,738)	-
Net cash flows from operating activities	<u>235,847</u>	<u>174,593</u>	<u>700,941</u>	<u>1,111,381</u>	<u>10,082</u>
Cash Flows From Noncapital Financing Activities:					
Net interfund receipts/(payments)	(317,716)	-	-	(317,716)	-
Net component unit receipts/(payments)	62,922	-	-	62,922	-
Cash received from miscellaneous sources	18,650	225,763	19,089	263,502	-
Net cash flows from noncapital financing activities	<u>(236,144)</u>	<u>225,763</u>	<u>19,089</u>	<u>8,708</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:					
Impact fees	7,441	6,829	-	14,270	-
Proceeds from long term debt	2,100,000	-	-	2,100,000	-
Principal paid on capital debt	(207,242)	(37,786)	(271,952)	(516,980)	-
Interest paid on capital debt	(186,677)	(71,178)	(76,758)	(334,613)	-
Acquisition and construction of capital assets	(82,743)	(11,462)	-	(94,205)	-
Net cash flows from capital and related financing activities	<u>1,630,779</u>	<u>(113,597)</u>	<u>(348,710)</u>	<u>1,168,472</u>	<u>-</u>
Cash Flows From Investing Activities:					
Interest income	143,970	486	194	144,650	-
Net change in cash and cash equivalents	1,774,452	287,245	371,514	2,433,211	10,082
Cash and investments, including restricted cash, beginning of year	<u>2,812,473</u>	<u>551,049</u>	<u>503,000</u>	<u>3,866,522</u>	<u>136,614</u>
Cash and Cash Equivalents, Including Restricted Cash , End of Year	<u>\$ 4,586,925</u>	<u>\$ 838,294</u>	<u>\$ 874,514</u>	<u>\$ 6,299,733</u>	<u>\$ 146,696</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ 61,763	\$ (353,685)	\$ 454,780	\$ 162,858	\$ 50,082
Adjustments to reconcile net income (loss) to net cash from operating activities					
Depreciation/amortization	84,990	541,631	267,014	893,635	-
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	110,040	11,579	(14,329)	107,290	-
(Increase) decrease in prepaid expenses	(776)	(5,105)	-	(5,881)	(40,000)
Increase (decrease) in accounts payable	(23,010)	(19,320)	(7,624)	(49,954)	-
Increase (decrease) in due from deposits	2,585	-	-	2,585	-
Net cash flows from operating activities	<u>\$ 235,592</u>	<u>\$ 175,100</u>	<u>\$ 699,841</u>	<u>\$ 1,110,533</u>	<u>\$ 10,082</u>
Supplemental Schedule of Non-cash Financing and Investing Activities					
Disposal of capital assets with book value	\$ (58,861)	\$ -	\$ -	\$ -	\$ -

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

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

Reporting Entity

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

Discretely presented component units - The Johnson Springs Water System Enterprise Fund (Johnson Springs) was formed by a settlement agreement between the City of West Wendover, Nevada and the City of Wendover, Utah to replace Administrative Authority upon its dissolution (dissolved on December 31, 2008). Johnson Springs has no board. The net assets of the Administrative Authority were transferred to Johnson Springs on January 1, 2009, including the debt of the Administrative Authority that is in the name of the City. It is a separate enterprise fund and is considered a component unit due to the City's responsibility to perform all management, maintenance and accounting duties for the fund.

Basis of presentation – government-wide financial statements

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

As discussed earlier, the city has one discretely presented component units, Johnson Springs, which is considered a major component unit and is shown in separate columns in the government-wide financial statements.

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

Basis of presentation – fund financial statements

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

The government reports the following major governmental funds:

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

The **Recreation Fund** is used to account for the City's share of room tax proceeds and the distribution of those funds to the recreation district.

The **Capital Projects Fund** is used to account for the acquisition or construction of capital facilities as outlined in Resolution 1997-14.

The government reports the following major enterprise funds:

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

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

The **Garbage/Compost Fund** is used to account for the provision of sanitation services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

Additionally, the City reports the following fund types:

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

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

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

Measurement focus and basis of accounting

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

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

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

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

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

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

Cash and cash equivalents

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

Investments

Investments for the government are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

Inventories and prepaid items

Inventories for the general and proprietary funds are valued at cost using the first-in/first-out (FIFO) method and consist of expendable office supplies, pipe, fittings and miscellaneous automobile parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

For all other funds, the City of West Wendover charges consumable supplies against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in the financial statements.

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

The City has elected not to record infrastructure assets prior to July 1, 2003 as allowed by Governmental Accounting Statement number 34 for phase 3 governments.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

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

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

Building	35 to 50 years
Improvements other than buildings	20 to 30 years
Machinery, equipment, and vehicles	3 to 10 years
Utility systems	10 to 50 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has no items that qualify for reporting in this category.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has no items that qualify for reporting in this category. The governmental funds report unearned revenues from one source: advance payments for business licenses. These amounts are deferred and recognized as an inflow of resources in the period that the amounts are earned.

Net position flow assumption

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

Fund balance flow assumptions

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

Fund balance policies

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

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

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

Revenues and Expenditures/Expenses

Program revenues

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

Property taxes

All real property within the City of West Wendover is assigned a parcel number by the Elko County Assessor in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The property and its improvements are assessed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of legislative action, the tax rate was further limited to \$3.64 per \$100 as assessed valuation, except in cases of severe financial emergency as defined by NRS 354.705. Taxes on real property are a lien on the property and attach on July 1 of the year for which the taxes are levied.

Taxes may be paid in four installments, the first installment is due on the third Monday of August and the remaining three installments are payable on the first Monday in October, January and March to the Treasurer of Elko County in which the City of West Wendover is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if the taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner or such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale.

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

Compensated absences

Vacation and Sick-leave

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

Per City Policy and Collective Bargaining Agreements, employees earn (accrue) sick leave benefits which they are eligible to receive upon separation of service at a determined percentage based upon total years of service and based upon the required notice of separation.

Proprietary funds operating and non-operating revenues and expenses

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

Use of Estimates

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies, Continued

Comparative Data

Comparative data shown for the prior year has been extracted from the 2012-2013 financial statements and reclassified where necessary. It has been provided to add comparability but is not considered full disclosure of transactions for 2012-2013. Such information can only be obtained by referring to the audited financial statements for that year.

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

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

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 3. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The City adheres to the Local Government Budget Act incorporated in Section 354 of the Nevada Revised Statutes. The provision of the Act included the following major procedures to establish the budgetary data which is reflected in these financial statements.

- a. On or before April 15, the City Council files a tentative budget with the Nevada Department of Taxation for all funds.
- b. Public budget hearings on the tentative budget are held on the third Tuesday of May.
- c. On or before June 1, at a public hearing, the City Council indicates changes, if any, to be made to the tentative budget must then be forwarded to the Nevada Department of Taxation for the final review and approval.
- d. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
- e. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end.
- f. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the budget officer and/or City Council, depending on established criteria. Budget augmentations in excess of original budgetary amounts may only be made with prior approval of the City Council, following a scheduled and noticed public hearing for those funds which have ad valorem taxes allocated as a source of revenue. For all other funds, the City Council must approve the budget augmentation with a majority vote and adopt a resolution providing therefore.
- g. The above dates may be adjusted as necessary during legislative years.
- h. The budget amounts reflected in the financial statements have been amended from the original amounts in accordance with the approve procedures.
- i. In accordance with state statute, actual expenditures may not exceed budgeted appropriations of the various governmental functions (excluding the debt services functions) in the General Fund and total expenditures in other governmental funds. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments and long-term contracts expressly authorized by law.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 4. Cash and Investments

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

	Primary Government	Component Unit
Deposits:		
Cash on hand	\$ 625	\$ -
Cash in bank	3,755,531	(758,724)
Investments:		
Nevada local government investment pool	3,053,566	2,285,666
Total deposits and investments	<u>\$ 6,809,722</u>	<u>\$ 1,526,942</u>
Cash and cash equivalents	\$ 3,640,598	\$ 1,481,626
Restricted cash	3,169,124	45,316
	<u>\$ 6,809,722</u>	<u>\$ 1,526,942</u>

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned. The City does not have a formal policy for custodial credit risk. As of June 30, 2014, \$0 of the primary government and component unit's combined bank balance of \$3,134,032 was exposed to custodial credit risk because it was either fully insured by FDIC insurance or collateralized by a pledging financial institution.

Investments

The Nevada State Treasurer's Office operates the Local Government Pooled Investment Fund (LGPIF). The LGPIF is available for investment of funds administered by any Nevada Public Treasurer.

The LGPIF is not registered with the SEC as an investment company. Deposits in the LGPIF are not insured or otherwise guaranteed by the State of Nevada, and participants share proportionally in any realized gain or losses on investments.

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 4. Cash and Investments, Continued

As of June 30, 2014 the government had the following investments:

<u>Investment Type</u>	<u>Primary Government Fair Value</u>	<u>Component Unit Fair Value</u>	<u>Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Nevada Local Government Pooled Investment Fund	\$ 3,053,566	\$ 2,285,666	N/A	80
Total Fair Value	<u>\$ 3,053,566</u>	<u>\$ 2,285,666</u>		

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

(2) Interest Rate Risk is estimated using the weighted average days to maturity.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (NRS 355.170).

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The primary government and component unit's policy for reducing its exposure to credit risk is to limit its investments to the Nevada Local Government Pooled Investment Fund and to comply with State Law (NRS 355.170). The Nevada Local Government Pooled Investment Fund is unrated.

Concentration of Credit Risk

The Primary Government and the Component Unit place no limit on the amount the Primary Government or the Component Unit may invest in any one issue.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 4. Cash and Investments, Continued

Cash Restricted for Special Uses

The primary government and the component unit maintain restricted cash to comply with various legal and contractual requirements. Amounts restricted are as follows at June 30, 2014:

Medium Term Sales Tax Revenue Bond Reserves	\$ 151,524
1998 Sewer/Compost Revenue Bond Reserves	100,557
Sewer/Compost Revenue Bond Series 1999B Bond Reserves	115,320
Sewer/Compost Revenue Bond Series 1999A Bond Reserves	41,515
Closure / post closure trust funds	40,000
Waste Water Treatment Plant Revenue Bond Reserves	21,793
1998 Water Revenue Bond Reserves	173,712
Water Revenue Bonds, Series 2000 Bond Reserves	29,893
AB198 Capital Replacement Projects Fund	398,810
General obligation medium term bond series 2014 - unspent proceeds	<u>2,096,000</u>
Total restricted cash - primary government	<u>\$ 3,169,124</u>
Water Revenue Bond, Series 2009 Bond Reserves	<u>\$ 45,316</u>
Total restricted cash - component unit	<u>\$ 45,316</u>

NOTE 5. Receivables / Due from other Governments

Receivables in the governmental funds consist principally of room and franchise taxes due various businesses. Amounts due from other governments consist primarily of taxes due from the State of Nevada and grant revenues due from various granting agencies. All receivables and amounts due from other governments are considered by management to be fully collectible and therefore, no allowance for doubtful accounts is necessary.

Receivables in the proprietary funds represent service billings to customers and are shown net of an allowance for doubtful accounts.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 6. Capital Assets

Governmental capital asset activity for the year ended June 30, 2014 was as follows:

Governmental Activities:	Balance 06/30/13	Additions	Deletions	Balance 06/30/14
Capital assets, not being depreciated:				
Land	\$ 1,924,012	\$ 170,469	\$ -	\$ 2,094,481
Construction in progress	1,374,126	151,789	(1,525,915)	-
Total capital assets, not being depreciated	<u>3,298,138</u>	<u>322,258</u>	<u>(1,525,915)</u>	<u>2,094,481</u>
Capital assets, being depreciated:				
Buildings	10,991,900	-	(6,087)	10,985,813
Other improvements	6,736,884	1,523,476	(59,841)	8,200,519
Machinery and equipment	3,292,986	296,706	(458,108)	3,131,584
Total capital assets, being depreciated	<u>21,021,770</u>	<u>1,820,182</u>	<u>(524,036)</u>	<u>22,317,916</u>
Less accumulated depreciation for:				
Buildings	(1,830,677)	(274,291)	4,670	(2,100,298)
Other improvements	(1,338,387)	(343,983)	45,068	(1,637,302)
Machinery and equipment	(2,565,905)	(164,409)	452,851	(2,277,463)
Total accumulated depreciation	<u>(5,734,969)</u>	<u>(782,683)</u>	<u>502,589</u>	<u>(6,015,063)</u>
Total capital assets, being depreciated, net	<u>15,286,801</u>	<u>1,037,499</u>	<u>(21,447)</u>	<u>16,302,853</u>
Governmental activities capital assets, net	<u>\$ 18,584,939</u>	<u>\$ 1,359,757</u>	<u>\$ (1,547,362)</u>	<u>\$ 18,397,334</u>

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

Governmental Activities:	
General government	\$ 420,719
Judicial	7,653
Public safety	122,795
Public works	1,415
Health and sanitation	23,703
Culture and recreation	62,086
Community support	1,194
Streets and highways	143,118
Total depreciation expense - governmental activities	<u>\$ 782,683</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 6. Capital Assets, Continued

Business-type capital asset activity for the year ended June 30, 2014 was as follows:

Business-Type Activities:	Balance 06/30/13	Additions	Deletions	Balance 6/30/2014
Capital assets not being depreciated:				
Land	\$ 111,000	\$ -	\$ -	\$ 111,000
Construction in progress	124,608	71,281	-	195,889
Total capital assets, not being depreciated	<u>235,608</u>	<u>71,281</u>	<u>-</u>	<u>306,889</u>
Capital assets being depreciated:				
Buildings	479,334	-	-	479,334
Other improvements	4,805,363	-	(2,609)	4,802,754
Machinery and equipment	4,122,479	22,922	(290,123)	3,855,278
Utility systems	17,379,947	-	(87,950)	17,291,997
Total capital assets, being depreciated	<u>26,787,123</u>	<u>22,922</u>	<u>(380,682)</u>	<u>26,429,363</u>
Less accumulated depreciation for:				
Buildings	(154,265)	(11,983)	-	(166,248)
Other improvements	(2,391,138)	(182,585)	2,087	(2,571,636)
Machinery and equipment	(3,072,320)	(175,727)	234,157	(3,013,890)
Utility systems	(3,449,162)	(523,340)	85,576	(3,886,926)
Total accumulated depreciation	<u>(9,066,885)</u>	<u>(893,635)</u>	<u>321,820</u>	<u>(9,638,700)</u>
Total capital assets, being depreciated, net	<u>17,720,238</u>	<u>(870,713)</u>	<u>(58,862)</u>	<u>16,790,663</u>
Water fund activities capital assets, net	<u>\$ 17,955,846</u>	<u>\$ (799,432)</u>	<u>\$ (58,862)</u>	<u>\$ 17,097,552</u>

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

Business-Type Activities:	
Water Fund	\$ 84,990
Sewer Fund	541,631
Combined Garbage / Compost Facility Fund	267,014
Total depreciation expense - business-type activities	<u>\$ 893,635</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 6. Capital Assets, Continued

Component unit capital asset activity for the year ended June 30, 2014 was as follows:

Component Unit - Johnson Springs	Balance 06/30/13	Additions	Deletions	Balance 06/30/14
Capital assets not being depreciated:				
Land	18,000	\$ -	\$ -	\$ 18,000
Construction in progress	-	13,908	-	13,908
Total capital assets, not being depreciated	<u>18,000</u>	<u>13,908</u>	<u>-</u>	<u>31,908</u>
Capital assets being depreciated:				
Buildings	6,079,039	-	-	6,079,039
Other improvements	411,632	-	-	411,632
Machinery and equipment	436,754	11,461	-	448,215
Utility system	4,859,248	-	-	4,859,248
Total capital assets, being depreciated	<u>11,786,673</u>	<u>11,461</u>	<u>-</u>	<u>11,798,134</u>
Less accumulated depreciation for:				
Buildings	(3,128,568)	(189,394)	-	(3,317,962)
Other improvements	(39,410)	(20,039)	-	(59,449)
Machinery and equipment	(303,766)	(11,999)	-	(315,765)
Water utility system	(1,112,048)	(121,697)	-	(1,233,745)
Total accumulated depreciation	<u>(4,583,792)</u>	<u>(343,129)</u>	<u>-</u>	<u>(4,926,921)</u>
Total capital assets, being depreciated, net	<u>7,202,881</u>	<u>(331,668)</u>	<u>-</u>	<u>6,871,213</u>
Johnson Springs component unit fund activities capital assets, net	<u>\$ 7,220,881</u>	<u>\$ (317,760)</u>	<u>\$ -</u>	<u>\$ 6,903,121</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 7. Long-Term Liabilities

The following is a summary of long-term liabilities for the year ended June 30, 2014:

	Date of Issue	Interest Rate	Year of Final Payment	Original Amount of Issue	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014	Current Portion
Governmental Activities									
Bonds Payable:									
Tax-Exempt Medium Term Bonds, Series 2007A (80 Acres)	6/29/2007	4.32%	2017	1,410,000	\$ 985,000	\$ -	\$ (228,000)	\$ 757,000	\$ 240,000
General Obligation Medium-Term Bonds, Series 2009	2/27/2009	4.46%	2019	2,200,000	1,441,000	-	(212,000)	1,229,000	222,000
Medium Term Sales Tax Revenue Bond, Series 2009 (City Hall)	8/18/2009	4.38%	2039	5,225,000	4,871,342	-	(102,463)	4,768,879	106,988
Total Bonds Payable					<u>7,297,342</u>	<u>-</u>	<u>(542,463)</u>	<u>6,754,879</u>	<u>568,988</u>
Capital leases payable:									
September 2014 Police Vehicle Lease	9/1/2013	4.33%	2018	281,059	-	281,059	(51,551)	229,508	53,783
Total Capital Lease Payable					<u>-</u>	<u>281,059</u>	<u>(51,551)</u>	<u>229,508</u>	<u>53,783</u>
Compensated absences									
Governmental Activity Long-Term Liabilities					<u>228,505</u>	<u>141,673</u>	<u>(129,806)</u>	<u>240,372</u>	<u>120,000</u>
					<u>\$ 7,525,847</u>	<u>\$ 422,732</u>	<u>\$ (723,820)</u>	<u>\$ 7,224,759</u>	<u>\$ 742,771</u>
Business-Type Activities									
Enterprise Funds:									
Water Fund									
Bonds Payable:									
1998 Water Revenue Bonds	11/17/1998	4.75%	2038	3,058,300	\$ 2,556,909	\$ -	\$ (51,995)	\$ 2,504,914	\$ 54,465
Water Revenue Bonds, Series 2000	6/27/2000	4.50%	2040	550,000	458,766	-	(9,248)	449,518	9,665
General Obligation Medium-Term Bonds, Series 2008	9/4/2008	4.15%	2013	700,000	146,000	-	(146,000)	-	-
General Obligation Medium-Term Bonds, Series 2008	9/4/2008	4.95%	2018	800,000	800,000	-	-	800,000	152,274
General Obligation Limited Tax Medium-Term, Series 2014	6/17/2014	2.43%	2024	2,100,000	-	2,100,000	-	2,100,000	175,000
Total Bonds Payable					<u>3,961,675</u>	<u>2,100,000</u>	<u>(207,243)</u>	<u>5,854,432</u>	<u>391,404</u>
Compensated absences									
Total Water Fund Long Term Debt					<u>5,971</u>	<u>3,647</u>	<u>(3,392)</u>	<u>6,226</u>	<u>6,226</u>
					<u>\$ 3,967,646</u>	<u>\$ 2,103,647</u>	<u>\$ (210,635)</u>	<u>\$ 5,860,658</u>	<u>\$ 397,630</u>
Sewer Fund									
Bonds Payable:									
Waste Water Treatment Plant Revenue Bond	6/1/2012	2.75%	2052	2,637,000	2,582,463	-	(37,787)	2,544,676	38,837
Total Bonds Payable					<u>2,582,463</u>	<u>-</u>	<u>(37,787)</u>	<u>2,544,676</u>	<u>38,837</u>
Compensated absences									
Total Sewer Fund Long Term Debt					<u>4,144</u>	<u>1,847</u>	<u>(2,354)</u>	<u>3,637</u>	<u>3,637</u>
					<u>\$ 2,586,607</u>	<u>\$ 1,847</u>	<u>\$ (40,141)</u>	<u>\$ 2,548,313</u>	<u>\$ 42,474</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 7. Long-Term Liabilities, continued

	Date of Issue	Interest Rate	Year of Final Payment	Original Amount of Issue	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014	Current Portion
Combined Garbage / Compost Facility Fund									
Bonds Payable:									
1998 Sewer/Compost Revenue Bonds	11/17/1998	4.75%	2018	1,280,000	\$ 514,204	\$ -	\$ (76,132)	\$ 438,072	\$ 79,748
Sewer/Compost Revenue Bonds Series 1999B	8/18/1999	4.50%	2019	1,500,000	674,081	-	(84,880)	589,201	88,811
Sewer/Compost Revenue Bonds Series 1999A	8/18/1999	4.50%	2019	540,000	242,669	-	(30,595)	212,074	31,972
Total Bonds Payable					<u>1,430,954</u>	<u>-</u>	<u>(191,607)</u>	<u>1,239,347</u>	<u>200,531</u>
Capital leases payable:									
Garbage Truck Lease	8/4/2010	1.88%	2014	224,000	91,137	-	(44,741)	46,396	46,396
Garbage Truck - Compost/Garbage Lease	9/26/2012	3.32%	2018	232,157	232,157	-	(35,604)	196,553	36,786
Total Capital Lease Payable					<u>323,294</u>	<u>-</u>	<u>(80,345)</u>	<u>242,949</u>	<u>83,182</u>
Compensated absences									
					<u>5,837</u>	<u>4,416</u>	<u>(3,315)</u>	<u>6,938</u>	<u>6,938</u>
Total Combined Garbage / Compost Facility Fund					<u>\$ 1,760,085</u>	<u>\$ 4,416</u>	<u>\$ (275,267)</u>	<u>\$ 1,489,234</u>	<u>\$ 290,651</u>
Business-Type Activity Long-Term Liabilities					<u>\$ 8,314,338</u>	<u>\$ 2,109,910</u>	<u>\$ (526,043)</u>	<u>\$ 9,898,205</u>	<u>\$ 730,755</u>
Component Unit									
Johnson Springs									
Bonds Payable:									
Water Revenue Bond, Series 2009	9/24/2009	4.50%	2049	\$ 1,766,730	\$ 1,701,802	\$ -	\$ (19,216)	\$ 1,682,586	\$ 20,098
Compensated absences									
					<u>9,370</u>	<u>5,820</u>	<u>(5,323)</u>	<u>9,867</u>	<u>9,867</u>
Component Unit Long-Term Liabilities					<u>\$ 1,711,172</u>	<u>\$ 5,820</u>	<u>\$ (24,539)</u>	<u>\$ 1,692,453</u>	<u>\$ 29,965</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 7. Long-Term Liabilities, Continued

Revenue Bonds

The City has pledged future net revenues from the City's Municipal Water System to repay \$3,058,300 and \$550,000 in water revenue bonds issued in November 1998 and June 2000, respectively, with interest rates of 4.75% and 4.5%, respectively. Proceeds from the bonds provided financing to pay for the cost to acquire, improve, construct, equip, operate, and maintain a water project for the City. The bonds are payable solely from net revenues from the Municipal Water System and are payable through 2038 and 2040.

The City has pledged future net revenues from the City's Compost Facility to repay \$1,280,000 and \$2,040,000 in sewer/compost revenue bonds issued in November 1998 and August 1999 with interest rates of 4.75% and 4.5%, respectively. Proceeds from the bonds provided financing for the development and construction of a compost facility. The bonds are payable solely from future net revenues from the Compost Facility and are payable through 2018 and 2019.

The City has pledged future net revenues from the City's Sewer Facility to repay \$2,637,000 in sewer revenue bonds issued in June 2012 with an interest rate of 2.75%. Proceeds from the bonds provided financing for the construction of a new sewer facility. The bonds are payable solely from future net revenues from the Sewer Facility and are payable through 2052.

The following schedules reflect debt service requirements to maturity of the City's debt as of June 30, 2014:

Period Ending June 30	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	568,988	294,027	863,015	630,771	349,706	980,477
2016	597,764	268,982	866,746	650,863	326,766	977,629
2017	626,753	242,671	869,424	676,647	300,689	977,336
2018	379,964	215,085	595,049	704,150	273,608	977,758
2019	397,408	198,134	595,542	731,012	244,722	975,734
2020-2024	727,601	839,899	1,567,500	1,982,482	977,051	2,959,533
2025-2029	905,154	662,346	1,567,500	828,398	734,015	1,562,413
2030-2034	1,126,035	441,465	1,567,500	1,012,653	549,701	1,562,354
2035-2039	1,400,817	166,683	1,567,500	1,233,465	322,088	1,555,553
2040-2044	24,395	89	24,484	426,114	137,741	563,855
2045-2049	-	-	-	467,100	76,985	544,085
2050-2054	-	-	-	294,800	13,828	308,628
	<u>\$ 6,754,879</u>	<u>\$ 3,329,381</u>	<u>\$ 10,084,260</u>	<u>\$ 9,638,455</u>	<u>\$ 4,306,900</u>	<u>\$ 13,945,355</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 7. Long-Term Liabilities, Continued

Period Ending June 30	Total Bonded Debt & Notes			Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2015	1,199,759	643,733	1,843,492	20,098	75,305	95,403
2016	1,248,627	595,748	1,844,375	21,022	74,382	95,404
2017	1,303,400	543,360	1,846,760	21,987	73,416	95,403
2018	1,084,114	488,693	1,572,807	22,997	72,406	95,403
2019	1,128,420	442,856	1,571,276	24,054	71,350	95,404
2020-2024	2,710,083	1,816,950	4,527,033	137,897	339,122	477,019
2025-2029	1,733,552	1,396,361	3,129,913	172,618	304,401	477,019
2030-2034	2,138,688	991,166	3,129,854	216,082	260,935	477,017
2035-2039	2,634,282	488,771	3,123,053	270,491	206,527	477,018
2040-2044	450,509	137,830	588,339	338,599	138,418	477,017
2045-2049	467,100	76,985	544,085	423,857	53,160	477,017
2050-2054	294,800	13,828	308,628	12,884	67	12,951
	<u>\$ 16,393,334</u>	<u>\$ 7,636,281</u>	<u>\$ 24,029,615</u>	<u>\$ 1,682,586</u>	<u>\$ 1,669,489</u>	<u>\$ 3,352,075</u>

NOTE 8. Capital Leases Payable

The government has entered into three lease agreements, which are considered capital leases in accordance with Financial Accounting Standard Board ASC 840-30-25. Two of the leases are shown in the sewer fund and one in the general fund. The total amount of equipment capitalized under the leases is \$456,157 and \$281,059 for the business-type activities and the governmental activities respectively. Amortization on capital leases is included in depreciation expense.

The following is an annual schedule of future minimum lease payments with interest rates ranging from 1.88% to 4.32 % under the capital leases, together with the present value of the net minimum lease payments:

Year Ending June 30	Governmental Activities	Business-type Activities
2015	\$ 63,718	\$ 91,425
2016	63,718	43,311
2017	63,718	43,311
2018	63,718	43,312
2019	-	43,310
2020	-	-
Total remaining minimum lease payments	<u>254,872</u>	<u>264,669</u>
Less amount representing interest	<u>(25,364)</u>	<u>(21,720)</u>
Present value of net remaining minimum lease payments	<u>\$ 229,508</u>	<u>\$ 242,949</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 9. Segment Information

In previous years, the component unit, Johnson Springs, issued separate revenue bonds to finance its operations. Segment information for Johnson Springs is disclosed below. Segment information for the other proprietary funds is disclosed in the basic financial statements.

Segment information for Johnson Springs	<u>6/30/2014</u>
Operating revenues	\$ 614,508
Depreciation and amortization	343,130
Operating income/(loss)	(327,285)
Nonoperating revenues and (expenses)	(216,343)
Net income /(loss)	(543,628)
Capital asset additions, including capitalized interest	25,369
Net working capital	(1,540,791)
Total assets	8,493,670
Bonds and other long term debt obligations	1,662,486
Total net position	\$ 3,745,160

NOTE 10. Interfund Receivables, Payables, and Transfers

As of June 30, 2014, interfund receivables and payables that resulted from various interfund transactions for the primary government were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 174,970
Grant Fund	-	3,500
Water Fund	317,716	-
Nonmajor funds:		
Welcome Center Fund	-	139,246
Total	<u>\$ 317,716</u>	<u>\$ 317,716</u>

Interfund balances resulted from the time lag between the dates that (1) Interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 10. Interfund Receivables, Payables, and Transfers, continued

As of June 30, 2014, interfund receivables and payables that resulted from transactions between the primary government and the component unit were as follows:

	<u>Component Unit</u>	<u>Government</u>
Water Fund:		
Interest receivable	\$ 81,458	\$ -
Debt repayment receivable	2,954,431	-
Component Unit		
Interest payable	-	81,458
Debt repayment payable	-	2,954,431
Total	<u>\$ 3,035,890</u>	<u>\$ 3,035,890</u>

In 1998 and 2000, the City of West Wendover issued long term debt obligations to complete a water project in behalf of its constituents. The component unit, which benefited from the project, is assisting with the repayment of the revenues bonds issued in the water fund. Hence, there is an interfund balance between the water fund and the component unit, Johnson Springs as shown above.

Interfund transfers for the fiscal year ended June 30, 2014 are as follows:

Transfer in:	<u>General</u>	<u>Grant Fund</u>	<u>Non-major</u>				<u>Total Transfers in</u>
			<u>Welcome Center</u>	<u>Wendover Will Landmark</u>	<u>Capital Projects</u>	<u>Ad Valorem Capital Projects</u>	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Fund	83,803	-	-	-	-	-	83,803
Nonmajor Governmental Funds							
Welcome Center Fund	94,871	-	-	-	-	-	94,871
Wendover Will Landmark Fund	20,000	-	-	-	-	-	20,000
Capital Projects Fund	1,060,332	-	-	-	45,000	-	1,105,332
Ad Valorem Capital Projects Fund	-	-	-	-	-	-	-
Total transfers out	<u>\$ 1,259,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 1,304,006</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 11. Defined Benefit Pension Plan

The City of West Wendover is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer program, defined benefit plan administered by PERS. All full-time employees are covered under the system. In addition, those part-time employees working at least 20 hours per week are covered. The City has no liability for unfunded obligations of the system as provided by Nevada Revised Statute (NRS) 286.110.

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the Plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for regular members are computed at 2.67 percent of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75 percent of the average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows retired employees to accept a reduced service retirement allowance payable monthly during their lives and various optional monthly payments to a named beneficiary after their deaths.

Regular members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service, or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police or fire service, at age 55 with 10 years of accredited police or fire service, at age 50 with 20 years of accredited police or fire service, or at any age with at least 30 years of accredited service. Members who retired on or after July 1, 1977, or are active members whose effective date of membership is before July 1, 1985, and who have 36 years of service are entitled to a benefit of up to 90 percent of their average compensations. When members are eligible for the earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75 percent to a maximum of 90 percent of average compensation. Regular members and members of the Police and Fireman's Retirement Fund become fully vested as to benefits upon completion of 5 years of service.

Member contribution rates are established by NRS 286.450, which requires adjustments on each odd numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation.

The funding contributions are determined by one of the following two methods: Under the employer pay contribution plan, the City is required to contribute all amounts due under the plan. Under the employee/employer pay contribution plan, the employees are required to contribute a percentage of their compensation to the plan, while the City is required to match that contribution. The contribution requirements of plan members and the City are established by Chapter 286 of the Nevada Revised Statutes.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 11. Defined Benefit Pension Plan, Continued

The City's contribution rates and amounts contributed for the last three years are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Regular Members</u>	<u>Police/Fire</u>	<u>Total Contributions</u>
2014	25.75%	40.50%	\$ 927,709
2013	23.75%	39.75%	\$ 872,918
2012	23.75%	39.75%	\$ 669,940

PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. A copy of that report may be obtained by writing to the Public Employee's Retirement System of Nevada, 693 W. Nye Lane, Carson City, NV 89703-1599, or by calling (775) 687-4200.

NOTE 12. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees at their option, permits participants until termination, retirement, death, or unforeseeable emergency.

Plan assets are held and administered by The Hartford. The plan does not meet the definition of a fiduciary fund as defined in GASB 32, and therefore, is not reported in this financial statement.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 13. Closure and Post-Closure Care Cost

State and Federal laws and regulations require that the City place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability should be recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfills no longer accept waste. GASB Statement 18 requires the recognition of these landfill closure and post-closure care costs based on the amount of the landfill used during the year. The City does not report a liability for the estimated closure and post-closure care costs because it has passed a resolution that authorizes participation in the landfill assurance program established through the Nevada Public Agency Insurance Pool as a mechanism to demonstrate financial responsibility for the closure and post-closure care costs. Because the City has, in effect, transferred its responsibility for closure and post-closure care costs to another entity through the purchase of the insurance policy, the liabilities are not reported on the City's financial statements as per GASB 18.

The estimated liability for landfill closure and post-closure care costs under GASB Statement 18 requirements is \$546,841 as of June 30, 2014. The City had two cells in operation during fiscal year 2014 and the Class III cell reached capacity during the year. The Class I cell has used 90% of available capacity and is projected to reach capacity in fiscal year 2016 according to the 2014 Volumetric Survey. The City is now in the process of creating new cells for operation. The estimated closure and post-closure costs are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain landfill modules currently in use for both cells in operation during 2014 were acquired as of June 30, 2014. The City maintained an insurance policy with a face amount of \$514,587 at June 30, 2014. The financial assurance shortfall between the insurance policy face amount and the estimated closure and post-closure care costs will need to be covered by the City using one of the allowable mechanisms found at NAC 444.68525. For fiscal year 2014, the shortfall is deemed to be covered by cash and investments on hand in the garbage/compost fund at year end. The City has set aside \$40,000 in restricted cash to potentially fund a trust account as listed in note 4. The City plans to work with the Nevada Department of Environmental Protection to officially select and implement an allowable mechanism found at NAC 444.68525 during fiscal year 2015 to address the shortfall in coverage.

NOTE 14. 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 14. Risk Management, Continued

Liabilities of funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There were no liabilities that met these criteria at June 30, 2014. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claims liabilities during the past three fiscal years are as follows:

Fiscal Year Ended June 30	Unpaid Claims Beginning of Fiscal Year	Incurred Claims	Claim Payments	Unpaid Claims End of Fiscal Year
2014	\$ -	\$ 300,984	\$ 300,984	\$ -
2013	\$ -	\$ 270,175	\$ 270,175	\$ -
2012	\$ -	\$ 399,176	\$ 399,176	\$ -

NOTE 15. Room Taxes

On October 16, 2001, Ordinance 01-20 was passed, increasing room taxes from 10% to 16%. Of this rate, 14% is allocated to the West Wendover Recreation District. Additionally, the Ordinance allows for 1% to be paid to a non-profit entity to promote tourism and recreation throughout the City of West Wendover. At June 30, 2014 this amount was held as restricted in the Recreation Fund.

NOTE 16. Commitments and Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is party to legal proceedings which normally occur in governmental operations. City officials believe these legal proceedings are not likely to have a material adverse impact on the financial position of the City.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2014

NOTE 17. Available Borrowing Capacity

The lawful general obligation debt limit for city governments is established by State statute not to exceed thirty percent of the total last assessed valuation of the taxable property of the City. At June 30, 2014, the general obligation debt limit and available borrowing capacity of the City of West Wendover was \$37,878,232.

NOTE 18. Subsequent Events

Subsequent to year end and before the issuance of the financial statements, the City awarded two major construction contracts. The first contract was for a pipeline replacement project in the amount of approximately \$387,000. The second contract was for a tank supply pipeline project for approximately \$645,000. The projects are expected to take place during fiscal year 2015.

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REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE FOLLOWING MAJOR FUNDS:

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

The **Recreation Fund** is used to account for the City's share of room tax proceeds and the distribution of those funds to the recreation district.

CITY OF WEST WENDOVER, NEVADA
General Fund
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Property taxes					
Ad valorem	\$ 974,100	\$ 974,000	\$ 960,273	\$ (13,727)	\$ 914,022
Personal property	179,900	179,900	163,950	(15,950)	178,115
Central assessments	18,800	18,800	13,510	(5,290)	19,521
Total property taxes	<u>1,172,800</u>	<u>1,172,700</u>	<u>1,137,733</u>	<u>(34,967)</u>	<u>1,111,658</u>
Licenses and permits					
Liquor licenses	1,200	1,200	-	(1,200)	-
City gaming licenses	218,000	216,000	215,892	(108)	214,776
Animal licenses	1,000	1,600	1,656	56	1,057
Business licenses	22,000	20,200	20,811	611	21,435
Right of way toll	214,000	200,000	207,476	7,476	219,939
Building permits	100,000	90,000	88,358	(1,642)	42,224
Special permits and fees	5,000	5,000	4,050	(950)	6,940
Franchise fees	316,000	355,000	362,934	7,934	357,854
Carlines taxes	100	100	77	(23)	89
Total licenses and permits	<u>877,300</u>	<u>889,100</u>	<u>901,254</u>	<u>12,154</u>	<u>864,314</u>
Intergovernmental revenue					
State consolidated revenue	2,876,000	2,425,000	2,438,541	13,541	2,728,320
1.75 cent gas tax	38,100	38,100	35,633	(2,467)	40,898
2.35 cent gas tax	49,500	49,500	49,236	(264)	48,186
County road tax	26,400	26,400	24,566	(1,834)	27,204
County transportation funds	160,000	-	-	-	-
County gaming tax	415,000	430,000	428,794	(1,206)	426,443
Federal/state grants	38,500	42,400	33,459	(8,941)	28,519
Reimbursement from Elko County	147,200	147,200	147,019	(181)	119,997
Total intergovernmental revenue	<u>3,750,700</u>	<u>3,158,600</u>	<u>3,157,248</u>	<u>(1,352)</u>	<u>3,419,567</u>
Charges for services					
Special police services	4,500	2,000	1,339	(661)	1,554
Work cards	6,500	6,000	6,415	415	4,125
Special fire protection services	20,000	20,000	11,100	(8,900)	9,600
Dispatch fees	3,400	6,000	5,472	(528)	3,888
Animal shelter fees	3,000	3,900	3,742	(158)	3,043
Pipeline administrative services	1,900	1,900	-	(1,900)	1,900
Miscellaneous	12,500	12,500	14,180	1,680	14,680
Total general	<u>51,800</u>	<u>52,300</u>	<u>42,248</u>	<u>(10,052)</u>	<u>38,790</u>
Fines and forfeitures					
Fines and fees	120,000	90,000	90,077	77	85,881
Total fines and forfeitures	<u>120,000</u>	<u>90,000</u>	<u>90,077</u>	<u>77</u>	<u>85,881</u>
Miscellaneous					
Interest	2,000	1,000	604	(396)	2,236
Donations	10,000	18,500	41,070	22,570	15,527
Rents and royalties	19,000	19,200	21,884	2,684	27,984
Miscellaneous	15,250	15,250	11,034	(4,216)	14,229
Total miscellaneous	<u>46,250</u>	<u>53,950</u>	<u>74,592</u>	<u>20,642</u>	<u>59,976</u>
Total revenues	<u>6,018,850</u>	<u>5,416,650</u>	<u>5,403,152</u>	<u>(13,498)</u>	<u>5,580,186</u>

CITY OF WEST WENDOVER, NEVADA
General Fund
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Expenditures					
General government					
Administration and finance					
Salaries and wages	439,400	353,100	355,151	(2,051)	424,459
Employee benefits	189,000	146,300	144,118	2,182	175,715
Services and supplies	352,770	407,200	390,282	16,918	382,554
Capital outlay	10,000	12,500	11,879	621	5,700
Total administration and finance	<u>991,170</u>	<u>919,100</u>	<u>901,430</u>	<u>17,670</u>	<u>988,428</u>
Elections					
Services and supplies	700	700	-	700	329
Total general government	<u>991,870</u>	<u>919,800</u>	<u>901,430</u>	<u>18,370</u>	<u>988,757</u>
Judicial					
Municipal court					
Salaries and wages	170,700	171,700	165,101	6,599	159,258
Employee benefits	88,800	89,300	87,915	1,385	76,875
Services and supplies	53,900	53,400	55,345	(1,945)	53,740
Capital outlay	-	-	-	-	3,441
Total judicial	<u>313,400</u>	<u>314,400</u>	<u>308,361</u>	<u>6,039</u>	<u>293,314</u>
Public safety					
Police					
Salaries and wages	1,098,300	1,098,300	1,020,779	77,521	1,020,684
Employee benefits	622,600	622,600	558,254	64,346	578,418
Services and supplies	334,100	369,250	366,622	2,628	130,069
Capital outlay	96,100	111,100	108,709	2,391	901
Total police department	<u>2,151,100</u>	<u>2,201,250</u>	<u>2,054,364</u>	<u>146,886</u>	<u>1,730,072</u>
Fire					
Salaries and wages	386,600	386,600	386,603	(3)	351,457
Employee benefits	209,700	211,600	207,416	4,184	196,485
Services and supplies	88,900	97,100	80,327	16,773	69,018
Capital outlay	500	500	-	500	-
Total fire department	<u>685,700</u>	<u>695,800</u>	<u>674,346</u>	<u>20,954</u>	<u>616,960</u>
Dispatch center					
Salaries and wages	205,100	205,100	219,561	(14,461)	187,509
Employee benefits	100,900	100,900	98,778	2,122	87,604
Services and supplies	25,100	24,600	24,512	88	21,690
Total dispatch center	<u>331,100</u>	<u>330,600</u>	<u>342,851</u>	<u>(12,251)</u>	<u>296,803</u>
Total public safety	<u>3,167,900</u>	<u>3,227,650</u>	<u>3,071,561</u>	<u>155,589</u>	<u>2,643,835</u>
Public works					
Paved streets					
Salaries and wages	24,800	10,000	7,353	2,647	14,940
Employee benefits	12,300	4,900	2,433	2,467	6,998
Services and supplies	116,000	164,000	152,806	11,194	108,500
Capital outlay	166,500	6,500	5,092	1,408	24,180
Total paved streets	<u>319,600</u>	<u>185,400</u>	<u>167,684</u>	<u>17,716</u>	<u>154,618</u>

CITY OF WEST WENDOVER, NEVADA
General Fund
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
General					
Salaries and wages	148,500	180,000	170,874	9,126	169,361
Employee benefits	72,900	85,900	80,431	5,469	84,426
Services and supplies	36,400	35,900	33,348	2,552	32,982
Capital outlay	-	-	-	-	-
Total general	<u>257,800</u>	<u>301,800</u>	<u>284,653</u>	<u>17,147</u>	<u>286,769</u>
Total public works	<u>577,400</u>	<u>487,200</u>	<u>452,337</u>	<u>34,863</u>	<u>441,387</u>
Community development					
Salaries and wages	117,500	117,500	115,476	2,024	113,186
Employee benefits	48,100	48,100	46,933	1,167	44,368
Services and supplies	109,600	190,500	148,067	42,433	66,374
Capital outlay	-	-	-	-	-
Total community development	<u>275,200</u>	<u>356,100</u>	<u>310,476</u>	<u>45,624</u>	<u>223,928</u>
Health					
Animal control					
Salaries and wages	48,900	48,900	51,580	(2,680)	47,173
Employee benefits	28,500	28,500	29,211	(711)	27,129
Services and supplies	17,700	16,400	15,288	1,112	14,943
Capital outlay	-	-	-	-	-
Total animal control	<u>95,100</u>	<u>93,800</u>	<u>96,079</u>	<u>(2,279)</u>	<u>89,245</u>
Total health	<u>95,100</u>	<u>93,800</u>	<u>96,079</u>	<u>(2,279)</u>	<u>89,245</u>
Culture and recreation					
Library service					
Services and supplies	14,300	14,800	12,195	2,605	15,699
Total culture and recreation	<u>14,300</u>	<u>14,800</u>	<u>12,195</u>	<u>2,605</u>	<u>15,699</u>
Community support					
Miscellaneous					
Services and supplies	12,000	33,500	51,638	(18,138)	8,426
Total community support	<u>12,000</u>	<u>33,500</u>	<u>51,638</u>	<u>(18,138)</u>	<u>8,426</u>
Debt services	<u>67,700</u>	<u>67,600</u>	<u>67,620</u>	<u>(20)</u>	<u>3,795</u>
Total expenditures	<u>5,514,870</u>	<u>5,514,850</u>	<u>5,271,697</u>	<u>242,653</u>	<u>4,708,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>503,980</u>	<u>(98,200)</u>	<u>131,455</u>	<u>(229,655)</u>	<u>871,800</u>

CITY OF WEST WENDOVER, NEVADA
General Fund
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Other financing sources (uses)					
Capital lease proceeds	281,100	284,100	281,059	(3,041)	-
Transfers in	-	-	-	-	-
Transfers out	<u>(880,000)</u>	<u>(1,177,900)</u>	<u>(1,259,006)</u>	<u>(81,106)</u>	<u>(1,052,467)</u>
Total other financing sources and uses	<u>(598,900)</u>	<u>(893,800)</u>	<u>(977,947)</u>	<u>(84,147)</u>	<u>(1,052,467)</u>
Net change in fund balance	<u>(94,920)</u>	<u>(992,000)</u>	<u>(846,492)</u>	<u>145,508</u>	<u>(180,667)</u>
Fund balance, beginning of year	<u>1,308,552</u>	<u>1,308,552</u>	<u>1,308,552</u>	<u>-</u>	<u>1,489,219</u>
Fund balance, end of year	<u><u>\$ 1,213,632</u></u>	<u><u>\$ 316,552</u></u>	<u><u>\$ 462,060</u></u>	<u><u>\$ 145,508</u></u>	<u><u>\$ 1,308,552</u></u>

CITY OF WEST WENDOVER, NEVADA
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Taxes					
Room taxes	\$ 2,802,000	\$ 2,305,000	\$ 2,274,467	\$ (30,533)	\$ 2,486,675
Total revenues	<u>2,802,000</u>	<u>2,305,000</u>	<u>2,274,467</u>	<u>(30,533)</u>	<u>2,486,675</u>
Expenditures					
Culture and recreation					
Room tax distribution	2,803,900	2,306,900	2,224,557	82,343	2,479,684
Total culture and recreation	<u>2,803,900</u>	<u>2,306,900</u>	<u>2,224,557</u>	<u>82,343</u>	<u>2,479,684</u>
 Total expenditures	 <u>2,803,900</u>	 <u>2,306,900</u>	 <u>2,224,557</u>	 <u>82,343</u>	 <u>2,479,684</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(1,900)</u>	 <u>(1,900)</u>	 <u>49,910</u>	 <u>51,810</u>	 <u>6,991</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total other financing sources and uses	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net change in fund balance	 (1,900)	 (1,900)	 49,910	 51,810	 6,991
Fund balance, beginning of year	80,082	80,082	80,082	-	73,091
Fund balance, end of year	<u>\$ 78,182</u>	<u>\$ 78,182</u>	<u>\$ 129,992</u>	<u>\$ 51,810</u>	<u>\$ 80,082</u>

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUND

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The **Capital Projects Fund** is used to account for the acquisition or construction of capital facilities as outlined in Resolution 1997-14.

NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The **Seizure and Forfeiture Fund** is used to account for seizures and forfeitures received by the City under City Resolution 1992-09, as provided for in NRS 179.1187

The **Court Administrative Assessment Fund** is used to account for fees collected by the court as required by Nevada Revised Statutes Section 176.059, which are used to improve the operations of the court.

The **Medical Clinic Facilities Fund** is used to account for activity associated with the medical clinic under City Resolution 1998-02.

The **Welcome Center Fund** is used to account for the merchandise sales and operations of the Welcome Center as established under City Resolution 2001-04.

The **Wendover Will Landmark Fund** is used to account for the construction, maintenance, and related revenues and expenditures associated with the Wendover Will Landmark as established by City Resolution 2005-01.

The **Grant Fund** is used to account for various grants receipts and expenditures as outlined in Resolution 1996-14.

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The **Ad Valorem Capital Projects Fund** is used to account for revenue received from a special ad valorem tax that must be recorded in a capital projects fund and dedicated to capital project needs within the City, as established under NRS 268.045.

CITY OF WEST WENDOVER, NEVADA
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Miscellaneous					
Interest income	\$ -	\$ 1,500	\$ 1,390	\$ (110)	\$ 3,227
Sale of capital assets	226,000	-	2,098	2,098	75,018
Total revenues	226,000	1,500	3,488	1,988	78,245
Expenditures					
General government					
Capital outlay	200,000	200,000	181,546	18,454	-
Total general government	200,000	200,000	181,546	18,454	-
Debt service					
Debt service - principal	542,400	542,400	542,416	(16)	517,690
Debt service - interest	317,900	317,900	317,904	(4)	341,284
Total debt service	860,300	860,300	860,320	(20)	858,974
Total expenditures	1,060,300	1,060,300	1,041,866	18,434	858,974
Excess of revenues over (under) expenditures	(834,300)	(1,058,800)	(1,038,378)	20,422	(780,729)
Other financing sources					
Transfers in	830,000	977,000	1,105,332	128,332	845,000
Transfers out	-	-	-	-	-
Total other financing sources	830,000	977,000	1,105,332	128,332	845,000
Net change in fund balance	(4,300)	(81,800)	66,954	148,754	64,271
Fund balance, beginning of year	84,571	84,571	84,571	-	20,300
Fund balance, end of year	\$ 80,271	\$ 2,771	\$ 151,525	\$ 148,754	\$ 84,571

CITY OF WEST WENDOVER, NEVADA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	<u>Special Revenue</u>					<u>Capital Project</u>	<u>Total</u>	
	<u>Seizure Forfeiture Fund</u>	<u>Court Administrative Assessment Fund</u>	<u>Medical Clinic Facilities Fund</u>	<u>Welcome Center Fund</u>	<u>Wendover Will Landmark Fund</u>	<u>Grant Fund</u>	<u>Ad Valorem Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>
Assets								
Cash and investments	\$ 29,661	\$ 28,092	\$ 6,731	\$ -	\$ 9,196	\$ -	\$ 20,361	\$ 94,041
Due from other governments	-	-	-	151,037	-	3,500	-	154,537
Inventory	-	-	-	703	-	-	-	703
Total assets	<u>\$ 29,661</u>	<u>\$ 28,092</u>	<u>\$ 6,731</u>	<u>\$ 151,740</u>	<u>\$ 9,196</u>	<u>\$ 3,500</u>	<u>\$ 20,361</u>	<u>\$ 249,281</u>
Liabilities								
Accounts payable	\$ 21,707	\$ -	\$ 368	\$ 847	\$ 186	\$ -	\$ -	\$ 23,108
Interfund balances	-	-	-	139,246	-	3,500	-	142,746
Total liabilities	<u>21,707</u>	<u>-</u>	<u>368</u>	<u>140,093</u>	<u>186</u>	<u>3,500</u>	<u>-</u>	<u>165,854</u>
Fund Balances								
Nonspendable	-	-	-	703	-	-	-	703
Restricted	7,954	28,092	-	-	-	-	-	36,046
Committed	-	-	6,363	10,944	9,010	-	20,361	46,678
Total fund balances	<u>7,954</u>	<u>28,092</u>	<u>6,363</u>	<u>11,647</u>	<u>9,010</u>	<u>-</u>	<u>20,361</u>	<u>83,427</u>
Total liabilities and fund balances	<u>\$ 29,661</u>	<u>\$ 28,092</u>	<u>\$ 6,731</u>	<u>\$ 151,740</u>	<u>\$ 9,196</u>	<u>\$ 3,500</u>	<u>\$ 20,361</u>	<u>\$ 249,281</u>

CITY OF WEST WENDOVER, NEVADA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	<u>Special Revenue</u>					<u>Capital Project</u>		
	<u>Seizure Forfeiture Fund</u>	<u>Court Administrative Assessment Fund</u>	<u>Medical Clinic Facilities Fund</u>	<u>Welcome Center Fund</u>	<u>Wendover Will Landmark Fund</u>	<u>Grant Fund</u>	<u>Ad Valorem Capital Projects Fund</u>	
Revenues								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,063	\$ 35,063
Intergovernmental	-	-	-	187,890	-	57,965	-	245,855
Charges for services	-	11,658	-	-	-	-	-	11,658
Miscellaneous	21	19	-	3,803	530	-	-	4,373
	<u>21</u>	<u>11,677</u>	<u>-</u>	<u>191,693</u>	<u>530</u>	<u>57,965</u>	<u>35,063</u>	<u>296,949</u>
Total revenues	21	11,677	-	191,693	530	57,965	35,063	296,949
Expenditures								
Judicial	-	15,731	-	-	-	-	-	15,731
Health	-	-	1,235	-	-	-	-	1,235
Community support	-	-	-	286,565	20,888	-	-	307,453
Capital outlay	-	-	-	-	-	141,768	-	141,768
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,768</u>	<u>-</u>	<u>141,768</u>
Total expenditures	-	15,731	1,235	286,565	20,888	141,768	-	466,187
Excess (deficiency) of revenues over (under) expenditures	21	(4,054)	(1,235)	(94,872)	(20,358)	(83,803)	35,063	(169,238)
Other financing sources								
Transfers in	-	-	-	94,871	20,000	83,803	-	198,674
Transfers out	-	-	-	-	-	-	(45,000)	(45,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,871</u>	<u>20,000</u>	<u>83,803</u>	<u>(45,000)</u>	<u>153,674</u>
Total other financing sources (uses)	-	-	-	94,871	20,000	83,803	(45,000)	153,674
Net change in fund balances	21	(4,054)	(1,235)	(1)	(358)	-	(9,937)	(15,564)
Fund balances, beginning of year	7,933	32,146	7,598	11,648	9,368	-	30,298	98,991
Fund balances, end of year	<u>\$ 7,954</u>	<u>\$ 28,092</u>	<u>\$ 6,363</u>	<u>\$ 11,647</u>	<u>\$ 9,010</u>	<u>\$ -</u>	<u>\$ 20,361</u>	<u>\$ 83,427</u>

CITY OF WEST WENDOVER, NEVADA
Seizure Forfeiture Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Miscellaneous					
Interest income	\$ 10	\$ 10	\$ 21	\$ 11	\$ 9
Total revenues	10	10	21	11	9
Expenditures					
Public Safety					
Services and supplies	500	500	-	500	-
Total expenditures	500	500	-	500	-
Excess of revenues over (under) expenditures	(490)	(490)	21	511	9
Fund balance, beginning of year	7,933	7,933	7,933	-	7,924
Fund balance, end of year	<u>\$ 7,443</u>	<u>\$ 7,443</u>	<u>\$ 7,954</u>	<u>\$ 511</u>	<u>\$ 7,933</u>

CITY OF WEST WENDOVER, NEVADA
Court Administrative Assessments Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Charges for services					
Court assessments	\$ 17,000	\$ 12,500	\$ 11,658	\$ (842)	\$ 8,845
Miscellaneous					
Interest	100	100	19	(81)	35
Total revenues	17,100	12,600	11,677	(923)	8,880
Expenditures					
Judicial					
Services and supplies	-	14,700	15,731	(1,031)	1,769
Capital outlay	-	-	-	-	5,350
Total expenditures	-	14,700	15,731	(1,031)	7,119
Excess of revenue and other sources over (under) expenditures	17,100	(2,100)	(4,054)	108	1,761
Other financing sources					
Transfers in	-	-	-	-	-
Transfers out	(10,000)	(7,000)	-	7,000	-
Net change in fund balance	7,100	(9,100)	(4,054)	7,108	1,761
Fund balance, beginning of year	32,146	32,146	32,146	-	30,385
Fund balance, end of year	\$ 39,246	\$ 23,046	\$ 28,092	\$ 5,046	\$ 32,146

CITY OF WEST WENDOVER, NEVADA
Medical Clinic Facilities Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Intergovernmental					
Grant income	\$ -	\$ -	\$ -	\$ -	\$ 183,898
Total revenue	-	-	-	-	183,898
Expenditures					
Health					
Services and supplies	500	1,600	1,235	365	5,088
Capital outlay	-	-	-	-	180,083
Total expenditures	500	1,600	1,235	365	185,171
Excess of revenues over (under) expenditures	(500)	(1,600)	(1,235)	365	(1,273)
Other financing sources					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net change in fund balance	(500)	(1,600)	(1,235)	365	(1,273)
Fund balance, beginning of year	7,598	7,598	7,598	-	8,871
Fund balance, end of year	\$ 7,098	\$ 5,998	\$ 6,363	\$ 365	\$ 7,598

CITY OF WEST WENDOVER, NEVADA
Welcome Center Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Intergovernmental					
Operating grants	\$ 87,300	\$ 99,800	\$ 99,890	\$ 90	\$ 86,744
Elko county recreation board	100,000	90,000	88,000	(2,000)	95,000
Total intergovernmental	<u>187,300</u>	<u>189,800</u>	<u>187,890</u>	<u>(1,910)</u>	<u>181,744</u>
Miscellaneous					
Merchandise sales	7,000	3,500	3,803	303	4,336
Interest	-	-	-	-	-
Total miscellaneous	<u>7,000</u>	<u>3,500</u>	<u>3,803</u>	<u>303</u>	<u>4,336</u>
Total revenues	<u>194,300</u>	<u>193,300</u>	<u>191,693</u>	<u>(1,607)</u>	<u>186,080</u>
Expenditures					
Community support					
Salaries and wages	64,800	81,000	84,902	(3,902)	96,875
Employee benefits	37,500	42,700	41,890	810	43,090
Services and supplies	41,100	43,600	34,285	9,315	31,591
Capital outlay	120,000	135,000	125,488	9,512	106,548
Total expenditures	<u>263,400</u>	<u>302,300</u>	<u>286,565</u>	<u>15,735</u>	<u>278,104</u>
Excess of revenues over (under) expenditures	<u>(69,100)</u>	<u>(109,000)</u>	<u>(94,872)</u>	<u>14,128</u>	<u>(92,024)</u>
Other financing sources					
Transfers in	70,000	100,000	94,871	(5,129)	91,000
Transfers out	-	-	-	-	-
Net change in fund balance	900	(9,000)	(1)	8,999	(1,024)
Fund balance, beginning of year	<u>11,648</u>	<u>11,648</u>	<u>11,648</u>	<u>-</u>	<u>12,672</u>
Fund balance, end of year	<u>\$ 12,548</u>	<u>\$ 2,648</u>	<u>\$ 11,647</u>	<u>\$ 8,999</u>	<u>\$ 11,648</u>

CITY OF WEST WENDOVER, NEVADA
Wendover Will Landmark Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Miscellaneous					
Donations from private sources	\$ 1,000	\$ 1,000	\$ 530	\$ (470)	\$ 56,980
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>530</u>	<u>(470)</u>	<u>56,980</u>
Expenditures					
Community Support					
Services and supplies	18,000	24,500	20,888	3,612	77,304
Total expenditures	<u>18,000</u>	<u>24,500</u>	<u>20,888</u>	<u>3,612</u>	<u>77,304</u>
Excess of revenues over (under) expenditures	<u>(17,000)</u>	<u>(23,500)</u>	<u>(20,358)</u>	<u>3,142</u>	<u>(20,324)</u>
Other financing sources					
Transfers in	15,000	20,000	20,000	-	21,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,000)	(3,500)	(358)	3,142	676
Fund balance, beginning of year	<u>9,368</u>	<u>9,368</u>	<u>9,368</u>	<u>-</u>	<u>8,692</u>
Fund balance, end of year	<u>\$ 7,368</u>	<u>\$ 5,868</u>	<u>\$ 9,010</u>	<u>\$ 3,142</u>	<u>\$ 9,368</u>

CITY OF WEST WENDOVER, NEVADA
Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Intergovernmental					
CDBG grants	\$ 200,000	\$ -	\$ -	\$ -	\$ 15,000
Other grant revenue	425,000	-	57,965	57,965	937,325
Total intergovernmental	<u>625,000</u>	<u>-</u>	<u>57,965</u>	<u>57,965</u>	<u>952,325</u>
Total revenues	<u>625,000</u>	<u>-</u>	<u>57,965</u>	<u>57,965</u>	<u>952,325</u>
Expenditures					
Public works					
Capital outlay	625,000	132,900	141,768	(8,868)	1,314,379
Total public works	<u>625,000</u>	<u>132,900</u>	<u>141,768</u>	<u>(8,868)</u>	<u>1,314,379</u>
Total expenditures	<u>625,000</u>	<u>132,900</u>	<u>141,768</u>	<u>(8,868)</u>	<u>1,314,379</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(132,900)</u>	<u>(83,803)</u>	<u>49,097</u>	<u>(362,054)</u>
Other financing sources (uses)					
Transfers in	-	132,900	83,803	(49,097)	135,467
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>132,900</u>	<u>83,803</u>	<u>(49,097)</u>	<u>135,467</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,587)</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,587</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF WEST WENDOVER, NEVADA
Ad Valorem Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Revenues					
Other taxes					
Ad valorem tax	\$ 25,000	\$ 35,100	\$ 35,063	\$ (37)	\$ 35,884
Miscellaneous					
Interest income	-	-	-	-	14
Total revenues	25,000	35,100	35,063	(37)	35,898
Expenditures					
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	25,000	35,100	35,063	(37)	35,898
Other financing sources					
Transfers in	-	-	-	-	-
Transfers out	(25,000)	(45,000)	(45,000)	-	(40,000)
Net change in fund balance	-	(9,900)	(9,937)	(37)	(4,102)
Fund balance, beginning of year	30,298	30,298	30,298	-	34,400
Fund balance, end of year	<u>\$ 30,298</u>	<u>\$ 20,398</u>	<u>\$ 20,361</u>	<u>\$ (37)</u>	<u>\$ 30,298</u>

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MAJOR BUSINESS-TYPE FUNDS

CITY OF WEST WENDOVER, NEVADA
Water Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Operating revenues					
Charges for services	\$ 1,305,000	\$ 1,265,000	\$ 1,168,739	\$ (96,261)	\$ 1,400,903
Total operating revenues	<u>1,305,000</u>	<u>1,265,000</u>	<u>1,168,739</u>	<u>(96,261)</u>	<u>1,400,903</u>
Operating expenses					
Water purchases	461,200	461,200	480,304	(19,104)	495,137
Salaries and wages	200,800	224,300	196,621	27,679	142,361
Employee benefits	96,100	107,200	92,799	14,401	67,892
Services and supplies	306,200	283,300	252,084	31,216	269,896
Depreciation and amortization	95,000	95,000	84,990	10,010	97,999
Total operating expenses	<u>1,159,300</u>	<u>1,171,000</u>	<u>1,106,798</u>	<u>64,202</u>	<u>1,073,285</u>
Operating income	<u>145,700</u>	<u>94,000</u>	<u>61,941</u>	<u>(32,059)</u>	<u>327,618</u>
Nonoperating revenues (expenses)					
Interest income	147,350	147,350	143,970	(3,380)	146,079
Impact fees	200,000	8,000	7,441	(559)	3,571
Grant revenue	520,435	-	-	-	-
Long term debt proceeds	520,435	-	-	-	-
Miscellaneous income	20,000	22,000	18,650	(3,350)	47,964
Loss on disposal of capital assets	-	-	(58,861)	(58,861)	-
Capital outlay	(1,040,870)	(13,000)	(178)	12,822	-
Interest expense	(185,000)	(185,000)	(184,645)	355	(191,026)
Total nonoperating revenues (expenses)	<u>182,350</u>	<u>(20,650)</u>	<u>(73,623)</u>	<u>(52,973)</u>	<u>6,588</u>
Income (loss) before transfers	328,050	73,350	(11,682)	(85,032)	334,206
Transfers:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	328,050	73,350	(11,682)	(85,032)	334,206
Total net position, beginning of year	3,344,607	3,344,607	3,344,607	-	3,010,401
Total net position, end of year	<u>\$ 3,672,657</u>	<u>\$ 3,417,957</u>	<u>\$ 3,332,925</u>	<u>\$ (85,032)</u>	<u>\$ 3,344,607</u>

CITY OF WEST WENDOVER, NEVADA
Sewer Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Operating revenues					
Charges for services:					
Charges for services	\$ 938,000	\$ 942,500	\$ 911,937	\$ (30,563)	\$ 899,680
Total operating revenues	938,000	942,500	911,937	(30,563)	899,680
Operating expenses					
Salaries and wages	228,000	233,700	205,090	28,610	197,675
Employee benefits	77,400	103,600	97,577	6,023	86,389
Services and supplies	451,000	447,300	412,849	34,451	438,408
Capital outlay	22,000	22,000	8,475	13,525	-
Depreciation and amortization	208,000	355,000	541,631	(186,631)	368,366
Total operating expenses	986,400	1,161,600	1,265,622	(104,022)	1,090,838
Operating loss	(48,400)	(219,100)	(353,685)	(134,585)	(191,158)
Nonoperating revenues (expenses)					
Interest income	-	-	486	486	105
Impact fees	200,000	75,000	6,829	(68,171)	7,401
Grant revenue	-	-	-	-	1,028,767
Miscellaneous income	1,000	225,800	225,763	(37)	6,204
Interest expense	(71,125)	(71,125)	(70,703)	422	(61,816)
Total nonoperating revenues	129,875	229,675	162,375	(67,300)	980,661
Income (loss) before transfers	81,475	10,575	(191,310)	(201,885)	789,503
Transfers:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	81,475	10,575	(191,310)	(201,885)	789,503
Total net position, beginning of year	11,767,990	11,767,990	11,767,990	-	10,978,487
Total net position, end of year	<u>\$ 11,767,990</u>	<u>\$ 11,767,990</u>	<u>\$ 11,576,680</u>	<u>\$ (191,310)</u>	<u>\$ 11,767,990</u>

CITY OF WEST WENDOVER, NEVADA
Garbage / Compost Facility Fund
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2014
(With Comparative Actual Amounts for the Year Ended June 30, 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2013
Operating revenues					
Charges for services	\$ 1,268,100	\$ 1,253,800	\$ 1,226,930	\$ (26,870)	\$ 1,185,868
Total operating revenues	<u>1,268,100</u>	<u>1,253,800</u>	<u>1,226,930</u>	<u>(26,870)</u>	<u>1,185,868</u>
Operating expenses					
Salaries and wages	171,300	171,300	191,655	(20,355)	165,335
Employee benefits	90,900	90,900	94,844	(3,944)	78,003
Services and supplies	332,900	336,600	218,637	117,963	217,858
Capital outlay	20,000	-	-	-	-
Depreciation and amortization	298,000	307,000	267,014	39,986	314,401
Total operating expenses	<u>913,100</u>	<u>905,800</u>	<u>772,150</u>	<u>133,650</u>	<u>775,597</u>
Operating income	<u>355,000</u>	<u>348,000</u>	<u>454,780</u>	<u>106,780</u>	<u>410,271</u>
Nonoperating revenues (expenses)					
Interest income	500	500	194	(306)	930
Miscellaneous income	-	-	19,089	19,089	6,204
Interest expense	(77,000)	(69,300)	(67,315)	1,985	(71,052)
Total nonoperating expenses	<u>(76,500)</u>	<u>(68,800)</u>	<u>(48,032)</u>	<u>20,768</u>	<u>(63,918)</u>
Income before transfers	278,500	279,200	406,748	127,548	346,353
Transfers:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	278,500	279,200	406,748	127,548	346,353
Total net position, beginning of year	1,703,337	1,703,337	1,703,337	-	1,356,984
Total net position, end of year	<u>\$ 1,981,837</u>	<u>\$ 1,982,537</u>	<u>\$ 2,110,085</u>	<u>\$ 127,548</u>	<u>\$ 1,703,337</u>

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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**Independent Auditors' 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***

The Honorable Mayor and
City Council
West Wendover, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of West Wendover, Nevada, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of West Wendover, Nevada's basic financial statements and have issued our report thereon dated October 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of West Wendover, Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of West Wendover, Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of City of West Wendover, Nevada'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 entity'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



HintonBurdick, PLLC
St. George, Utah
October 31, 2014

**Independent Auditor's Report on Compliance
With Statutes and Administrative Code in Accordance
With NRS 354.624(4) and 354.6241**

The Honorable Mayor and City Council
West Wendover, NV

We have audited the basic financial statements of the City of West Wendover, Nevada for the year ended June 30, 2014, and have issued our report thereon dated October 31, 2014. Our audit also included test work on the City of West Wendover's compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

The management of the City of West Wendover is responsible for the City's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year findings and recommendations; accordingly, we make the following statements:

The City of West Wendover did not have any prior year audit findings which needed to be resolved.

We noted two new instances of noncompliance during fiscal year 2014. See the accompanying findings and recommendations.

The City of West Wendover has established several funds in accordance with NRS 354.624 as follows:

Enterprise Funds:

Water Fund
Sewer Fund
Garbage / Compost Facility Fund

Funds whose balance is required to be used only for a specific purpose or carried forward to the succeeding fiscal year in any designated amount:

Special Revenue Funds:

Seizure Forfeiture Fund
Recreation Fund
Court Administrative Assessment Fund
Medical Clinic Facilities Fund
Grants Fund
Welcome Center Fund
Wendover Will Landmark Fund

Capital Projects Funds:

Capital Projects Fund
Ad Valorem Capital Projects Fund

The City of West Wendover appears to be using the above listed funds expressly for the purposes for which they were created and in accordance with NRS 354.624. The funds are being administered in accordance with Generally Accepted Accounting Principles and the reserves, as applicable, appear reasonable and necessary to carry out the purposes of the funds. Sources of revenues available and fund balances and net position are reflected in the individual fund financial statements.

The statutory and regulatory requirements of the funds are as follows:

Water Fund:	NRS 354.517
Sewer Fund :	NRS 354.517
Garbage / Compost Facility Fund:	NRS 354.517
Seizure Forfeiture Fund:	Resolution 1992-09
Recreation Fund:	NRS 268.798
Court Administrative Assessment Fund:	NRS 176.059
Grant Fund:	Resolution 1996-14
Medical Clinic Facilities:	Resolution 1998-02
Welcome Center Fund:	Resolution 2001-04
Wendover Will Landmark Fund	Resolution 2005-01
Capital Projects Fund	Resolution 1997-14
Ad Valorem Capital Projects Fund	NRS 268.045

NRS 354.624 requires that a schedule of all fees imposed by the City which were subject to the provisions of NRS 354.5989 be provided. The City has not increased any fees subject to the limitations provided by NRS 354.5989; however the schedule for these fees immediately follows this report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, The City of West Wendover, Nevada complied, in all material respects, with the requirements identified above for the year ended June 30, 2014.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Nevada Revised Statutes (NRS) and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
October 31, 2014

CITY OF WEST WENDOVER, NEVADA
Schedule of Fees Imposed Subject to the Provision of NRS 354.5989
Limitation on Fees for Business Licenses
For the Year ended June 30, 2014

Flat Fixed Fees:

Business license revenue adjusted base at June 30, 2013		<u>19,399</u>
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Adjustment to Base:

1. Percentage increase in population of the local government	1.9%		
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	2.1%	4.00%	

Increase in base		<u>776</u>
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Adjusted base at June 30, 2014		<u>20,175</u>
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Actual revenue		<u>20,811</u>
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Amount over (under) allowable amount		<u>\$ 636</u>
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**Findings and Recommendations
For the Fiscal Year Ended June 30, 2014**

The Honorable Mayor and
City Council
City of West Wendover, Nevada

Professional standards require that we communicate, in writing; deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. Nevada Revised Statutes (NRS) require us to report instances of noncompliance with laws and regulations. During our audit of the City of West Wendover, Nevada for the fiscal year ended June 30, 2014, we noted several improvements in the City's accounting and budgeting system and we wish to commend the City for their achievements. We also observed a few areas needing corrective action in order for the City to be in compliance with laws and regulations as well as a few areas that, if improved, would strengthen the City's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weakness:

No items noted

Significant Deficiencies:

No items noted

COMPLIANCE AND OTHER MATTERS:

Compliance:

14-1 Functions and Funds in Excess of Budget Appropriations

We observed that the health, community support, and transfer functions in the general fund exceeded approved budget appropriations at the function level. We also noted that the Court Administrative Assessments fund, Grant fund, and Sewer fund exceeded approved budget appropriations at the fund level. See the budget to actual schedules in the financial statements for more information. Spending in excess of approved budget appropriations is a violation of NRS 354.626.

Recommendation

We recommend that the City review its budgeting procedures and controls and make any needed revisions to enable the City to stay within approved budget appropriations.

14-2 Closure and Post Closure Financial Assurance

As discussed in note 13 to the financial statements, the City has not completely met the requirements of NAC 444.685 pertaining to closure and post closure financial assurance for the municipal landfill. Since the insurance coverage for the landfill is inadequate to cover the closure and post closure costs as currently projected, the City needs to work with the Nevada Department of Environmental Protection to establish other allowable mechanisms and provide the required financial assurance. It is our understanding that the City has set aside cash reserves to potentially set up a trust fund and meet those requirements.

Recommendation

We recommend that the City work closely with the Nevada Department of Environmental Protection to completely meet the requirements of NAC 444.685 during fiscal year 2015.

Responses

Please respond to the above Findings and Recommendations in letter form.

This report is intended solely for the information and use of the City Council, management, and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,



HintonBurdick, PLLC
October 31, 2014