



FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of the net pension liability and the schedule of contributions, 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, the combining and individual non-major fund budgetary schedules and component unit supplementary 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, the combining and individual non-major fund budgetary schedules, and the component unit supplementary 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, the combining and individual non-major fund budgetary schedules, and the component unit supplementary 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 September 30, 2021, 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.

HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
September 30, 2021

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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, 2021. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Total assets plus deferred outflows exceed total liabilities plus deferred inflows (net position) by \$27.9 million at the close of the fiscal year.
- Total net position increased by \$1.1 million from the prior year.
- Governmental activities net position increased by \$1.2 million. Business-type net position decreased by \$53 thousand.
- Total revenues from all governmental sources were \$10.8 million and the total cost of all City programs were \$9.6 million.
- The General Fund revenues exceeded expenditures, excluding transfers, by \$1.7 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,519,523, or 56% 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 \$27.9 million as of June 30, 2021 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	
	06/30/21	06/30/20	06/30/21	06/30/20	06/30/21	06/30/20
Assets						
Current and other assets	\$ 5,470,345	\$ 3,883,394	\$ 6,827,828	\$ 6,360,349	\$ 12,298,173	\$ 10,243,743
Net capital assets	18,913,646	19,423,684	16,782,256	17,817,362	35,695,902	37,241,046
Total assets	<u>24,383,991</u>	<u>23,307,078</u>	<u>23,610,084</u>	<u>24,177,711</u>	<u>47,994,075</u>	<u>47,484,789</u>
Deferred outflows	1,136,058	1,152,807	245,744	241,216	1,381,802	1,394,023
Liabilities						
Current liabilities	876,907	489,749	82,794	107,171	959,701	596,920
Long-term liabilities outstanding	11,898,054	11,987,315	7,566,728	7,973,746	19,464,782	19,961,061
Total liabilities	<u>12,774,961</u>	<u>12,477,064</u>	<u>7,649,522</u>	<u>8,080,917</u>	<u>20,424,483</u>	<u>20,557,981</u>
Deferred inflows	843,799	1,195,268	182,525	250,101	1,026,324	1,445,369
Net position:						
Net investment in capital assets	13,890,197	14,030,140	12,799,552	13,325,707	26,689,749	27,355,847
Restricted	231,268	182,444	786,745	607,722	1,018,013	790,166
Unrestricted	(2,220,176)	(3,425,031)	2,437,484	2,154,480	217,308	(1,270,551)
Total net position	<u>\$ 11,901,289</u>	<u>\$ 10,787,553</u>	<u>\$ 16,023,781</u>	<u>\$ 16,087,909</u>	<u>\$ 27,925,070</u>	<u>\$ 26,875,462</u>

Governmental Activities

The cost of all Governmental activities this year was \$9,608,743. As shown on the statement of Changes in Net Position on the following page, \$1,500,773 of this cost was paid for by those who directly benefited from the programs; \$1,267,333 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 \$2,768,106. General taxes, asset sales, and other general revenues totaled \$7,991,505.

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

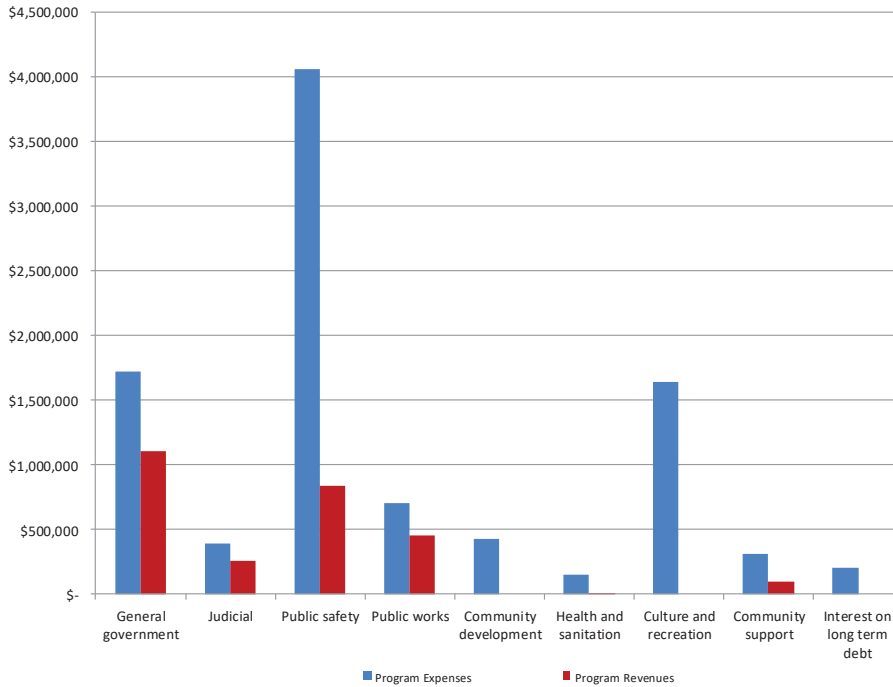
**City of West Wendover, Nevada
Changes in Net Position**

	Governmental activities		Business-type activities		Combined Total	
	06/30/21	06/30/20	06/30/21	06/30/20	06/30/21	06/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 1,485,953	\$ 1,163,954	\$ 3,805,092	\$ 3,752,329	\$ 5,291,045	\$ 4,916,283
Operating grants	1,039,804	320,332	-	-	1,039,804	320,332
Capital grants	227,528	193,400	1,496	15,664	229,024	209,064
General revenues:						
State shared revenue (unrestricted)	3,174,768	3,011,445	-	-	3,174,768	3,011,445
Room taxes	1,602,940	1,599,360	-	-	1,602,940	1,599,360
Ad valorem taxes	1,711,478	1,606,885	-	-	1,711,478	1,606,885
County gaming taxes	513,765	385,985	-	-	513,765	385,985
Franchise taxes	380,431	372,852	-	-	380,431	372,852
Right of way toll	255,582	295,900	-	-	255,582	295,900
Motor vehicle taxes	109,155	104,460	-	-	109,155	104,460
Other taxes	5,363	5,411	-	-	5,363	5,411
Investment earnings	2,838	11,619	40,083	84,103	42,921	95,722
Gain on sale of capital assets	202,324	-	-	-	202,324	-
Miscellaneous revenues	10,551	2,001	55,705	31,493	66,256	33,494
Total revenues	<u>10,722,480</u>	<u>9,073,604</u>	<u>3,902,376</u>	<u>3,883,589</u>	<u>14,624,856</u>	<u>12,957,193</u>
Expenses:						
General government	1,719,931	1,599,406	-	-	1,719,931	1,599,406
Judicial	391,744	382,670	-	-	391,744	382,670
Public safety	4,057,492	3,361,832	-	-	4,057,492	3,361,832
Public works	705,185	564,862	-	-	705,185	564,862
Community development	430,177	438,666	-	-	430,177	438,666
Health and sanitation	153,113	180,751	-	-	153,113	180,751
Culture and recreation	1,635,301	1,724,156	-	-	1,635,301	1,724,156
Community support	314,546	303,713	-	-	314,546	303,713
Interest on long term debt	201,255	210,068	-	-	201,255	210,068
Water	-	-	1,424,927	1,544,529	1,424,927	1,544,529
Sewer	-	-	1,487,574	1,548,631	1,487,574	1,548,631
Garbage/Compost	-	-	1,054,003	1,032,851	1,054,003	1,032,851
Total expenses	<u>9,608,744</u>	<u>8,766,124</u>	<u>3,966,504</u>	<u>4,126,011</u>	<u>13,575,248</u>	<u>12,892,135</u>
Increase in net position	1,113,736	307,480	(64,128)	(242,422)	1,049,608	65,058
Net position, beginning	10,787,553	10,480,073	16,087,909	16,330,331	26,875,462	26,810,404
Net position, ending	<u>\$ 11,901,289</u>	<u>\$ 10,787,553</u>	<u>\$ 16,023,781</u>	<u>\$ 16,087,909</u>	<u>\$ 27,925,070</u>	<u>\$ 26,875,462</u>

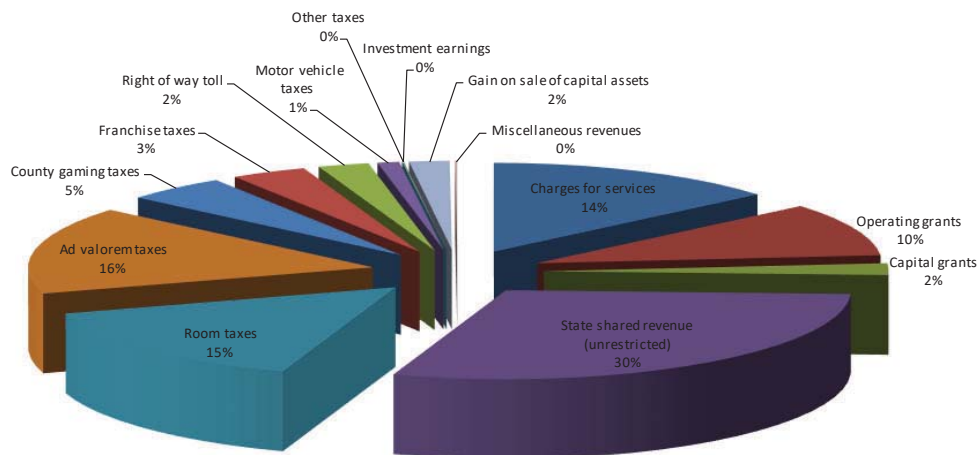
Total resources available during the year to finance governmental operations were \$21,510,033 consisting of Net Position at July 1, 2020 of \$10.7 million, program revenues of \$2.7 million and General Revenue of \$8.0 million. Total cost of Governmental Activities during the year were \$9.6 million; thus, Governmental Net Position increased by \$1,113,736 to \$11.9 million.

The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all government activities. The charts below are derived from the Statement of Activities on page 15.

Expenses and Program Revenues - Governmental Activities

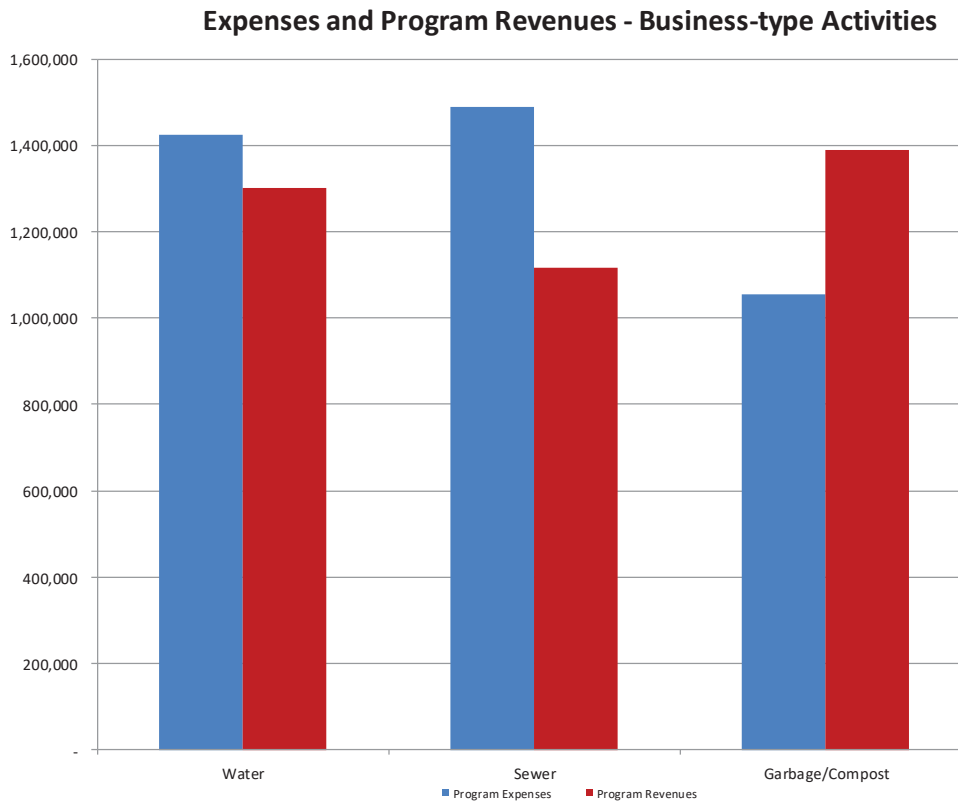


Revenues By Source - Governmental Activities



Business Type Activities

Net position of the Business Type activities at June 30, 2021, as reflected in the Statement of Net Position was \$16 million. The cost of providing all Proprietary (Business Type) activities this year was \$4.0 million. As shown in the Statement of Activities, the amounts paid by users of the system were \$3.8 million and \$1,496 was subsidized by capital grants and contributions. Unrestricted investment earnings totaled \$40,083; other revenue totaled \$55,705, thus, net position decreased by (\$64,128).



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 \$4,435,702, an increase of \$1,155,234 in comparison with the prior year. 79% of the total fund balance or \$3,399,557 constitutes unassigned fund balance, which is available for new spending at the government's discretion.

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 \$3,399,557, and total fund balance is \$3,743,833. 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 56% of total general fund expenditures. During the year, the City of West Wendover's general fund balance was budgeted to decrease by \$33,182. The total fund balance increased by \$1,036,641 due primarily to increases in consolidated tax revenue and marijuana related revenues.

The recreation fund has a fund balance of \$163,602, all of which is restricted for culture and recreation appropriation. Change in fund balance for the year was \$45,488. Revenues were down in this fund due to the effect of the COVID 19 pandemic on room taxes.

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.

At June 30, 2021, unrestricted net position amounted to \$921,706 for the water fund. The change in net position for fiscal year 2021 was (\$58,263) and the change in net position for fiscal year 2020 was (\$179,568). The increase in the change in net position was due to an increase in operating revenues and a decrease in operating expenses.

At June 30, 2021, unrestricted net position amounted to (\$204,342) for the sewer fund. The change in net position for fiscal year 2021 was (\$363,681) and the change in net position for fiscal year 2020 was (\$426,630). The increase in the change in net position was due to a slight increase in operating revenues and a decrease operating expenses.

At June 30, 2021, unrestricted net position amounted to \$1,720,120 for the garbage/compost fund. The change in net position for fiscal year 2021 was \$357,816 and the change in net position for fiscal year 2020 was \$363,776. Operating revenues and operating expenses had little change from the prior year.

General Fund Budgetary Highlights

Actual expenditures for the General Fund at year-end were \$606,420 less than the final budget. The favorable budget to actual variance in appropriations was principally due to overall savings in services and supplies for all departments. Actual revenues were more than the final budget by \$475,036.

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 2021, net capital assets of the government activities totaled \$18.9 million and the net capital assets of the business-type activities totaled \$16.7 million. Depreciation on governmental-type capital assets is recognized in the Government-Wide financial statements. (See note 6 to the financial statements.)

Long Term Liabilities

At year-end, the City had \$12 million in governmental type long term liabilities, and \$8 million in proprietary long term liabilities. The liabilities amounts to \$4,555 per capita (4,273 – 2019 population US Census Bureau Website 2019). The City's net decrease in total long term liabilities was \$496,280. (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 2021-2022, the City Council and management continue to remain cautious as to the growth of revenues and expenditures as the City moves forward from the impact of COVID-19.

The City entered into a three year Collective Bargaining Agreement with the Police Officers Association, effective July 1, 2021 through June 30, 2024, which provides for a total six percent (6%) increase in wages over three (3) years. The City also entered into a three year labor agreement with Local 4041, effective July 1, 2021 through June 30, 2024, which also provides for a total six percent (6%) increase in wages over three (3) years for all classifications with the exception of dispatchers. Dispatcher and lead dispatcher classifications shall have a total nine percent (9%) increase in wages over the next three (3) fiscal years.

Projects that are reflected in the City Budget for the fiscal year 2021-2022 are as follows:

- As a carry-over from last year, the City of West Wendover anticipates the issuance of new debt during the 2021-2022 fiscal year. The debt will be issued in the form of two interim construction loans, to start the downtown development project and to build a new Fire Station facility. When construction is complete, the construction loans will be retired with Rural Development loans from USDA which have been obligated by USDA-RD.
- The acquisition of the BLM land has been completed and the City may now proceed with the downtown development project. Phase I of the City downtown development is estimated to cost \$8.072M. The fire station facility is estimated to cost \$8.992M.
- The City will complete street rehabilitation on Wendover Blvd for \$830K, and complete pedestrian enhancement at Exit-410 for \$100K

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Johnson Springs
Assets				
Cash and temporary investments	\$ 4,061,407	\$ 3,412,501	\$ 7,473,908	\$ 282,483
Accounts receivable, net	969,729	521,725	1,491,454	77,787
Due from component unit	-	2,049,614	2,049,614	-
Inventory	37,572	47,146	84,718	14,221
Prepaid items	87,697	10,097	97,794	-
Restricted cash	313,940	786,745	1,100,685	-
Capital assets not being depreciated:				
Land	1,416,475	111,000	1,527,475	18,000
Construction in progress	357,046	-	357,046	-
Capital assets, net of accumulated depreciation:				
Buildings, net	7,416,173	3,248,208	10,664,381	2,010,078
Improvements other than buildings, net	9,375,490	2,137,532	11,513,022	213,471
Machinery and equipment, net	348,462	871,872	1,220,334	137,614
Utility systems	-	10,413,644	10,413,644	3,160,296
Total assets	<u>24,383,991</u>	<u>23,610,084</u>	<u>47,994,075</u>	<u>5,913,950</u>
Deferred Outflows of Resources				
Deferred outflows related to pensions	<u>1,136,058</u>	<u>245,744</u>	<u>1,381,802</u>	<u>20,993</u>
Liabilities				
Accounts payable	560,570	32,128	592,698	58,252
Accrued interest payable	17,899	46,954	64,853	-
Accrued expenses	248,332	-	248,332	1,687
Due to primary government	-	-	-	2,049,614
Unearned revenue	50,106	-	50,106	-
Deposits payable	-	3,712	3,712	-
Noncurrent liabilities				
Due within one year	541,119	539,572	1,080,691	9,848
Due in more than one year	4,792,260	5,607,130	10,399,390	-
Net pension liability	6,564,675	1,420,026	7,984,701	121,309
Total liabilities	<u>12,774,961</u>	<u>7,649,522</u>	<u>20,424,483</u>	<u>2,240,710</u>
Deferred Inflows of Resources				
Deferred inflows related to pensions	<u>843,799</u>	<u>182,525</u>	<u>1,026,324</u>	<u>15,593</u>
Net Position				
Net investment in capital assets	13,890,197	12,799,552	26,689,749	3,489,845
Restricted for:				
Judicial	67,666	-	67,666	-
Culture and recreation	163,602	-	163,602	-
Debt service	-	691,745	691,745	-
Restricted for closure/postclosure	-	95,000	95,000	-
Unrestricted	(2,220,176)	2,437,484	217,308	188,795
Total net position	<u>\$ 11,901,289</u>	<u>\$ 16,023,781</u>	<u>\$ 27,925,070</u>	<u>\$ 3,678,640</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, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	
Governmental:							
General government	\$ 1,719,931	\$ 1,101,862	\$ -	\$ -	\$ (618,069)	\$ -	\$ (618,069)
Judicial	391,744	256,364	-	-	(135,380)	-	(135,380)
Public safety	4,057,492	48,607	788,354	-	(3,220,531)	-	(3,220,531)
Public works	705,185	75,008	155,000	227,528	(247,649)	-	(247,649)
Community development	430,177	-	-	-	(430,177)	-	(430,177)
Health and sanitation	153,113	2,124	-	-	(150,989)	-	(150,989)
Culture and recreation	1,635,301	-	-	-	(1,635,301)	-	(1,635,301)
Community support	314,546	1,988	96,450	-	(216,108)	-	(216,108)
Interest on long term debt	201,255	-	-	-	(201,255)	-	(201,255)
Total governmental activities	9,608,744	1,485,953	1,039,804	227,528	(6,855,459)	-	(6,855,459)
Business-type:							
Water	1,424,927	1,300,479	-	1,496	-	(122,952)	(122,952)
Sewer	1,487,574	1,115,614	-	-	-	(371,960)	(371,960)
Garbage/Compost	1,054,003	1,388,999	-	-	-	334,996	334,996
Total business-type activities	3,966,504	3,805,092	-	1,496	-	(159,916)	(159,916)
Total primary government	\$ 13,575,248	\$ 5,291,045	\$ 1,039,804	\$ 229,024			
Component Unit:							
Johnson Springs	\$ 860,914	\$ 721,512	\$ -	\$ -			(139,402)
General Revenues:							
State Shared Revenue (Unrestricted)					3,174,768	-	3,174,768
Room taxes					1,602,940	-	1,602,940
Ad valorem taxes					1,711,478	-	1,711,478
County gaming taxes					513,765	-	513,765
Franchise taxes					380,431	-	380,431
Right of way toll					255,582	-	255,582
Motor vehicle taxes					109,155	-	109,155
Other taxes					5,363	-	5,363
Investment earnings					2,838	40,083	42,921
Gain on sale of capital assets					202,324	-	202,324
Miscellaneous revenues					10,551	55,705	66,256
Total general revenues and transfers					7,969,195	95,788	8,064,983
Change in net position					1,113,736	(64,128)	1,049,608
Net position - beginning					10,787,553	16,087,909	26,875,462
Net position - ending					\$ 11,901,289	\$ 16,023,781	\$ 27,925,070

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

CITY OF WEST WENDOVER, NEVADA
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Recreation Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and temporary investments	\$ 3,372,100	\$ 151,596	\$ 359,549	\$ 3,883,245
Accounts receivable, net	638	193,541	-	194,179
Due from other funds	34,440	-	-	34,440
Due from other governments	757,883	-	17,468	775,351
Inventory	36,265	-	1,307	37,572
Prepaid and other items	20,694	-	-	20,694
Restricted cash	440	-	313,500	313,940
Total assets	<u>4,222,460</u>	<u>345,137</u>	<u>\$ 691,824</u>	<u>\$ 5,259,421</u>
Liabilities				
Accounts payable	\$ 180,189	\$ 181,535	\$ 129,117	\$ 490,841
Accrued liabilities	248,332	-	-	248,332
Due to other funds	-	-	34,440	34,440
Unearned revenue	50,106	-	-	50,106
Total liabilities	<u>478,627</u>	<u>181,535</u>	<u>163,557</u>	<u>823,719</u>
Fund Balances				
Nonspendable				
Inventories	36,265	-	1,307	37,572
Prepaid items	20,694	-	-	20,694
Restricted				
Recreation district	-	163,602	-	163,602
Capital improvement projects	-	-	428,521	428,521
Courts and other judicial programs	-	-	67,666	67,666
Parks and other cultural and recreation programs	-	-	16,323	16,323
Other purposes	440	-	-	440
Committed				
Parks and other cultural and recreation programs	286,877	-	14,450	301,327
Unassigned	3,399,557	-	-	3,399,557
Total fund balances	<u>3,743,833</u>	<u>163,602</u>	<u>528,267</u>	<u>4,435,702</u>
Total liabilities and fund balances	<u>\$ 4,222,460</u>	<u>\$ 345,137</u>	<u>\$ 691,824</u>	<u>\$ 5,259,421</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, 2021

Total fund balances - governmental funds \$ 4,435,702

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	\$ 30,509,590	
Accumulated depreciation	<u>(11,595,944)</u>	18,913,646

Long-term receivables in the governmental activities are not reported in the funds.

199

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Net pension liabilities	\$ (6,564,675)	
Bonds payable	(5,023,449)	
Compensated absences	(309,930)	
Interest payable	<u>(17,899)</u>	(11,915,953)

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.

175,436

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

Deferred outflows	\$ 1,136,058	
Deferred inflows	<u>(843,799)</u>	292,259

Total net position - governmental activities \$ 11,901,289

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, 2021

	General Fund	Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 1,578,235	\$ 1,602,940	\$ 57,999	\$ 3,239,174
Licenses and permits	1,737,659	-	-	1,737,659
Intergovernmental	4,381,409	-	770,585	5,151,994
Charges for services	106,408	-	6,900	113,308
Fines and forfeits	52,097	-	-	52,097
Miscellaneous revenues	198,308	-	280,896	479,204
Total revenues	8,054,116	1,602,940	1,116,380	10,773,436
Expenditures				
Current				
General government	1,187,892	-	-	1,187,892
Judicial	391,191	-	3,615	394,806
Public safety	3,513,050	-	662,607	4,175,657
Public works	710,077	-	-	710,077
Community development	275,628	-	-	275,628
Health	157,018	-	-	157,018
Culture and recreation	13,598	1,557,452	-	1,571,050
Community support	17,019	-	297,900	314,919
Capital outlay	-	-	256,959	256,959
Debt service	56,062	-	518,134	574,196
Total expenditures	6,321,535	1,557,452	1,739,215	9,618,202
Excess (deficiency) of revenues over (under) expenditures	1,732,581	45,488	(622,835)	1,155,234
Other Financing Sources (Uses)				
Transfers in	-	-	736,525	736,525
Transfers out	(695,940)	-	(40,585)	(736,525)
Total other financing sources and uses	(695,940)	-	695,940	-
Net change in fund balances	1,036,641	45,488	73,105	1,155,234
Fund balances, beginning of year	2,707,192	118,114	455,162	3,280,468
Fund balances, end of year	\$ 3,743,833	\$ 163,602	\$ 528,267	\$ 4,435,702

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, 2021

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

Net change in fund balances - total governmental funds		\$ 1,155,234
<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 capital outlay exceeded depreciation in the current period.</p>		
Capital outlay	\$ 444,036	
Depreciation expense	<u>(903,118)</u>	(459,082)
<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>		
		(50,956)
<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>		
		370,095
<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. The adjustment reflects the change in interest payable</p>		
		2,846
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.</p>		
Pension contributions	\$ 500,979	
Pension expense	<u>(453,644)</u>	47,335
<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>		
		6,550
<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>		
		41,714
Change in net position of governmental activities		<u><u>\$ 1,113,736</u></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, 2021

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage/ Compost Fund</u>	<u>Total Proprietary Funds</u>	<u>Health Insurance Internal Service Fund</u>
Assets					
Current assets					
Cash and investments	\$ 1,191,165	\$ 158,721	\$ 2,062,615	\$ 3,412,501	\$ 178,162
Accounts receivable, net	203,129	178,106	140,490	521,725	-
Inventory	42,392	4,754	-	47,146	-
Prepaid expenses	2,344	6,105	1,648	10,097	67,003
Total current assets	<u>1,439,030</u>	<u>347,686</u>	<u>2,204,753</u>	<u>3,991,469</u>	<u>245,165</u>
Noncurrent assets					
Restricted cash	581,858	109,887	95,000	786,745	-
Due from component unit	2,049,614	-	-	2,049,614	-
Capital assets:					
Land	111,000	-	-	111,000	-
Buildings	1,277,649	1,173,762	1,535,458	3,986,869	-
Improvements other than buildings	974,603	76,600	5,164,633	6,215,836	-
Machinery and equipment	915,820	1,339,017	2,402,111	4,656,948	-
Utility system	2,232,105	15,820,916	-	18,053,021	-
Less accumulated depreciation	<u>(2,583,874)</u>	<u>(7,746,080)</u>	<u>(5,911,464)</u>	<u>(16,241,418)</u>	<u>-</u>
Total noncurrent assets	<u>5,558,775</u>	<u>10,774,102</u>	<u>3,285,738</u>	<u>19,618,615</u>	<u>-</u>
Total assets	<u>6,997,805</u>	<u>11,121,788</u>	<u>5,490,491</u>	<u>23,610,084</u>	<u>245,165</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	<u>70,961</u>	<u>91,445</u>	<u>83,338</u>	<u>245,744</u>	<u>-</u>
Liabilities					
Current liabilities					
Accounts payable	2,781	25,760	3,587	32,128	69,729
Accrued interest payable	24,806	10,518	11,630	46,954	-
Compensated absences	8,117	10,865	9,287	28,269	-
Customer deposits	3,712	-	-	3,712	-
Current portion of noncurrent liabilities	<u>186,187</u>	<u>125,123</u>	<u>199,993</u>	<u>511,303</u>	<u>-</u>
Total current liabilities	<u>225,603</u>	<u>172,266</u>	<u>224,497</u>	<u>622,366</u>	<u>69,729</u>
Noncurrent liabilities:					
Capital leases payable	-	-	436,869	436,869	-
Net pension liability	410,048	528,410	481,568	1,420,026	-
Bonds payable	<u>2,768,019</u>	<u>2,359,568</u>	<u>42,674</u>	<u>5,170,261</u>	<u>-</u>
Total noncurrent liabilities	<u>3,178,067</u>	<u>2,887,978</u>	<u>961,111</u>	<u>7,027,156</u>	<u>-</u>
Total liabilities	<u>3,403,670</u>	<u>3,060,244</u>	<u>1,185,608</u>	<u>7,649,522</u>	<u>69,729</u>
Deferred Inflows of Resources					
Deferred inflows related to pensions	<u>52,706</u>	<u>67,920</u>	<u>61,899</u>	<u>182,525</u>	<u>-</u>
Net Position					
Net investment in capital assets	2,108,826	8,179,524	2,511,202	12,799,552	-
Restricted for debt service	581,858	109,887	-	691,745	-
Restricted for closure/postclosure	-	-	95,000	95,000	-
Unrestricted	<u>921,706</u>	<u>(204,342)</u>	<u>1,720,120</u>	<u>2,437,484</u>	<u>175,436</u>
Total net position	<u>\$ 3,612,390</u>	<u>\$ 8,085,069</u>	<u>\$ 4,326,322</u>	<u>\$ 16,023,781</u>	<u>\$ 175,436</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, 2021

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage/ Compost Fund</u>	<u>Total Proprietary Funds</u>	<u>Health Insurance Internal Service Fund</u>
Operating revenues					
Charges for services	\$ 1,300,479	\$ 1,115,614	\$ 1,388,999	\$ 3,805,092	\$ 1,054,568
Operating expenses					
Water purchases	578,326	-	-	578,326	-
Salaries and wages	118,910	287,898	282,584	689,392	-
Employee benefits	220,864	174,699	158,556	554,119	1,012,855
Services and supplies	307,444	408,089	207,718	923,251	-
Capital outlay	788	-	-	788	-
Depreciation and amortization	140,220	546,726	382,278	1,069,224	-
Total operating expenses	<u>1,366,552</u>	<u>1,417,412</u>	<u>1,031,136</u>	<u>3,815,100</u>	<u>1,012,855</u>
Operating income (loss)	<u>(66,073)</u>	<u>(301,798)</u>	<u>357,863</u>	<u>(10,008)</u>	<u>41,713</u>
Nonoperating revenues (expenses)					
Interest income	38,280	223	1,580	40,083	-
Impact fees	1,496	-	-	1,496	-
Miscellaneous income	15,825	8,056	21,240	45,121	-
Contributions from component unit for debt payments	10,584	-	-	10,584	-
Interest expense	(58,375)	(70,162)	(22,867)	(151,404)	-
Total nonoperating revenues (expenses)	<u>7,810</u>	<u>(61,883)</u>	<u>(47)</u>	<u>(54,120)</u>	<u>-</u>
Change in net position	<u>(58,263)</u>	<u>(363,681)</u>	<u>357,816</u>	<u>(64,128)</u>	<u>41,713</u>
Total net position, beginning	3,670,653	8,448,750	3,968,506	16,087,909	133,723
Total net position, end of year	<u>\$ 3,612,390</u>	<u>\$ 8,085,069</u>	<u>\$ 4,326,322</u>	<u>\$ 16,023,781</u>	<u>\$ 175,436</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, 2021

	Water Fund	Sewer Fund	Garbage/ Compost Fund	Total Proprietary Funds	Health Insurance Internal Service Fund
Cash Flows From Operating Activities:					
Cash received from customers, service fees	\$ 1,272,022	\$ 1,084,859	\$ 1,384,034	\$ 3,740,915	\$ 1,054,568
Cash paid to suppliers	(897,648)	(423,204)	(209,497)	(1,530,349)	(974,360)
Cash paid to employees	(335,083)	(447,726)	(430,873)	(1,213,682)	-
Net cash flows from operating activities	<u>39,291</u>	<u>213,929</u>	<u>743,664</u>	<u>996,884</u>	<u>80,208</u>
Cash Flows From Noncapital Financing Activities:					
Net interfund receipts/(payments)	-	-	-	-	(80,000)
Net component unit receipts/(payments)	119,117	-	-	119,117	-
Cash received from miscellaneous sources	15,825	8,058	21,240	45,123	-
Net cash flows from noncapital financing activities	<u>134,942</u>	<u>8,058</u>	<u>21,240</u>	<u>164,240</u>	<u>(80,000)</u>
Cash Flows From Capital and Related Financing Activities:					
Impact fees	1,496	-	-	1,496	-
Principal paid on capital debt	(193,947)	(120,498)	(194,508)	(508,953)	-
Interest paid on capital debt	(58,375)	(70,162)	(22,867)	(151,404)	-
Acquisition and construction of capital assets	(12,077)	(22,039)	-	(34,116)	-
Net cash flows from capital and related financing activities	<u>(262,903)</u>	<u>(212,699)</u>	<u>(217,375)</u>	<u>(692,977)</u>	<u>-</u>
Cash Flows From Investing Activities:					
Interest income	38,280	223	1,580	40,083	-
Net change in cash and cash equivalents	(50,390)	9,511	549,109	508,230	208
Cash and investments, including restricted cash, beginning of year as restated	<u>1,823,413</u>	<u>259,097</u>	<u>1,608,506</u>	<u>3,691,016</u>	<u>177,954</u>
Cash and Cash Equivalents, Including Restricted Cash , End of Year	<u>\$ 1,773,023</u>	<u>\$ 268,608</u>	<u>\$ 2,157,615</u>	<u>\$ 4,199,246</u>	<u>\$ 178,162</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (66,073)	\$ (301,798)	\$ 357,863	\$ (10,008)	\$ 41,713
Adjustments to reconcile net income (loss) to net cash from operating activities					
Depreciation/amortization	140,220	546,726	382,278	1,069,224	-
Pension expense	37,522	53,872	47,009	138,403	-
Employer pension contributions	(30,227)	(38,482)	(35,248)	(103,957)	-
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	(27,293)	(30,755)	(4,965)	(63,013)	-
(Increase) decrease in inventory	(3,430)	(561)	-	(3,991)	-
(Increase) decrease in prepaid expenses	(368)	-	(410)	(778)	(1,358)
Increase (decrease) in accounts payable	(7,292)	(14,554)	(1,369)	(23,215)	39,853
Increase (decrease) in due from deposits	(1,164)	-	-	(1,164)	-
Increase (decrease) in compensated absences	(2,604)	(519)	(1,494)	(4,617)	-
Net cash flows from operating activities	<u>\$ 39,291</u>	<u>\$ 213,929</u>	<u>\$ 743,664</u>	<u>\$ 996,884</u>	<u>\$ 80,208</u>

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

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, 2021

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 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:

Health Insurance 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, 2021

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, 2021

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). The City of West Wendover invests in the State of Nevada Local Government Investment Pool, which has regulatory oversight from the Board of Finance for the State of Nevada.

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

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.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 1. Summary of Significant Accounting Policies, Continued

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

Capital assets

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

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

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

Building	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 one type of item that qualifies for reporting for reporting in this category which is pension related items reported on the government-wide financial statements. See footnote 17 for more information.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

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 one type of item that qualifies for reporting in this category which is pension related items reported on the government-wide financial statements. See footnote 17 for more information. The governmental funds report unearned revenues from two sources: advance payments for business licenses and advance payments for gaming 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, 2021

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, 2021

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.

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.

Pensions

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 1. Summary of Significant Accounting Policies, Continued

Comparative Data

Comparative data shown for the prior year has been extracted from the 2019-2020 financial statements and reclassified where necessary. It has been provided to add comparability but is not considered full disclosure of transactions for 2019-2020. 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, 2021

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 approved 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, 2021

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	\$ 1,575	\$ -
Cash in bank	7,056,453	(1,109,548)
Investments:		
Nevada local government investment pool	1,516,565	1,392,031
Total deposits and investments	\$ 8,574,593	\$ 282,483
Cash and cash equivalents	\$ 7,473,908	\$ 282,483
Restricted cash	1,100,685	-
	\$ 8,574,593	\$ 282,483

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, 2021, \$0 of the primary government and component unit's combined bank balance of \$6,021,139 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 Investment Pool (LGIP). The LGIP is an external investment pool operated by the Nevada Public Treasurer.

The LGIP is not registered with the SEC as an investment company. Deposits in the LGIP 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, 2021

NOTE 4. Cash and Investments, Continued

As of June 30, 2021 the government had the following investments:

<u>Investment Type</u>	Primary Government <u>Fair Value</u>	Component Unit <u>Fair Value</u>	<u>Rating (1)</u>	Weighted Average <u>Maturity (2)</u>
Nevada Local Government Pooled Investment Fund	\$ 1,516,565	\$ 1,392,031	N/A	143
Total Fair Value	<u><u>\$ 1,516,565</u></u>	<u><u>\$ 1,392,031</u></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.

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

The City has the following recurring fair value measurements as of June 30, 2021:

- Nevada Local Government's Investment Pool (LGIP):

	Primary Government	Component Unit
Level 1 inputs	\$ 495,613	\$ 454,916
Level 2 inputs	1,020,952	937,115
Total LGIP investment	<u><u>\$ 1,516,565</u></u>	<u><u>\$ 1,392,031</u></u>

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 Investment Pool and to comply with State Law (NRS 355.170). The Nevada Local Government Investment Pool 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, 2021

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, 2021:

Restricted cash footnote

Medium Term Sales Tax Revenue Bond Reserves	\$ 313,500
Closure / post closure trust funds	95,000
Waste Water Treatment Plant Revenue Bond Reserves	109,888
Water Revenue Bonds, Series 2015 Bond Reserves	18,144
Water Rev Bonds Series 2015 - Asset Replacement	143,170
AB198 Capital Replacement Projects Fund	420,543
Unutilized Regional Transportation Commission Funds	440
Total restricted cash - primary government	\$ 1,100,685

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. The allowance for doubtful accounts is estimated based on professional judgement and historical information. The allowances for doubtful accounts at June 30, 2021 were as follows:

Water Fund	\$ -
Sewer Fund	-
Garbage/Compost Fund	-
Johnson Springs	-
	\$ -

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 6. Capital Assets

Governmental capital asset activity for the year ended June 30, 2021 was as follows:

Governmental Activities:	Balance 6/30/20	Additions	Deletions	Balance 6/30/21
Capital assets, not being depreciated:				
Land	\$ 1,467,431	\$ -	\$ (50,956)	\$ 1,416,475
Construction in progress	187,320	169,726	-	357,046
Total capital assets, not being depreciated	<u>1,654,751</u>	<u>169,726</u>	<u>(50,956)</u>	<u>1,773,521</u>
Capital assets, being depreciated:				
Buildings	11,159,570	55,539	-	11,215,109
Other improvements	14,315,356	-	-	14,315,356
Machinery and equipment	2,993,599	218,770	(6,765)	3,205,604
Total capital assets, being depreciated	<u>28,468,525</u>	<u>274,309</u>	<u>(6,765)</u>	<u>28,736,069</u>
Less accumulated depreciation for:				
Buildings	(3,523,134)	(275,802)	-	(3,798,936)
Other improvements	(4,412,951)	(526,915)	-	(4,939,866)
Machinery and equipment	(2,763,506)	(100,401)	6,765	(2,857,142)
Total accumulated depreciation	<u>(10,699,591)</u>	<u>(903,118)</u>	<u>6,765</u>	<u>(11,595,944)</u>
Total capital assets, being depreciated, net	<u>17,768,934</u>	<u>(628,809)</u>	<u>-</u>	<u>17,140,125</u>
Governmental activities capital assets, net	<u>\$ 19,423,685</u>	<u>\$ (459,083)</u>	<u>\$ (50,956)</u>	<u>\$ 18,913,646</u>

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

Governmental Activities:	
General government	\$ 557,286
Judicial	2,837
Public safety	63,446
Public works	2,023
Health and sanitation	23,053
Culture and recreation	95,606
Community support	1,194
Streets and highways	157,673
Total depreciation expense - governmental activities	<u>\$ 903,118</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 6. Capital Assets, Continued

Business-type capital asset activity for the year ended June 30, 2021 was as follows:

Business-Type Activities:	Balance 6/30/20	Additions	Deletions	Balance 6/30/21
Capital assets not being depreciated:				
Land	\$ 111,000	\$ -	\$ -	\$ 111,000
Total capital assets, not being depreciated	<u>111,000</u>	<u>-</u>	<u>-</u>	<u>111,000</u>
Capital assets being depreciated:				
Buildings	3,979,994	6,875	-	3,986,869
Other improvements	6,215,836	-	-	6,215,836
Machinery and equipment	4,636,466	20,482	-	4,656,948
Utility systems	18,046,261	6,760	-	18,053,021
Total capital assets, being depreciated	<u>32,878,557</u>	<u>34,117</u>	<u>-</u>	<u>32,912,674</u>
Less accumulated depreciation for:				
Buildings	(639,145)	(99,515)	-	(738,660)
Other improvements	(3,856,563)	(221,741)	-	(4,078,304)
Machinery and equipment	(3,575,602)	(209,474)	-	(3,785,076)
Utility systems	(7,100,885)	(538,493)	-	(7,639,378)
Total accumulated depreciation	<u>(15,172,195)</u>	<u>(1,069,223)</u>	<u>-</u>	<u>(16,241,418)</u>
Total capital assets, being depreciated, net	<u>17,706,362</u>	<u>(1,035,106)</u>	<u>-</u>	<u>16,671,256</u>
Business-type activities capital asset, net	<u>\$ 17,817,362</u>	<u>\$ (1,035,106)</u>	<u>\$ -</u>	<u>\$ 16,782,256</u>

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

Business-Type Activities:	
Water Fund	\$ 140,220
Sewer Fund	546,725
Combined Garbage / Compost Facility Fund	382,278
Total depreciation expense - business-type activities	<u>\$ 1,069,223</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 6. Capital Assets, Continued

Component unit capital asset activity for the year ended June 30, 2021 was as follows:

Component Unit - Johnson Springs	Balance 06/30/20	Additions	Deletions	Balance 06/30/21
Capital assets not being depreciated:				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Total capital assets, not being depreciated	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Capital assets being depreciated:				
Buildings	6,836,936	-	-	6,836,936
Other improvements	411,632	-	-	411,632
Machinery and equipment	571,254	-	-	571,254
Utility system	5,316,197	-	-	5,316,197
Total capital assets, being depreciated	<u>13,136,019</u>	<u>-</u>	<u>-</u>	<u>13,136,019</u>
Less accumulated depreciation for:				
Buildings	(4,609,455)	(217,403)	-	(4,826,858)
Other improvements	(178,748)	(19,413)	-	(198,161)
Machinery and equipment	(411,665)	(21,975)	-	(433,640)
Water utility system	(2,022,689)	(133,213)	-	(2,155,902)
Total accumulated depreciation	<u>(7,222,557)</u>	<u>(392,004)</u>	<u>-</u>	<u>(7,614,561)</u>
Total capital assets, being depreciated, net	<u>5,913,462</u>	<u>(392,004)</u>	<u>-</u>	<u>5,521,458</u>
Johnson Springs component unit fund activities capital assets, net	<u>\$ 5,931,462</u>	<u>\$ (392,004)</u>	<u>\$ -</u>	<u>\$ 5,539,458</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 7. Long-Term Liabilities

The following is a summary of long-term liabilities for the year ended June 30, 2021:

Long-Term Debt	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2020	Additions	Retirements	June 30, 2021	Current Portion
Governmental Activities								
<i>Direct Placement Bonds Payable:</i>								
Medium Term Sales Tax Revenue Bond, Series 2009 (City Hall)	8/18/2009	4.38%	5,225,000	\$ 4,051,544	\$ -	\$ (137,095)	\$ 3,914,449	\$ 145,119
General Obligation Medium-Term Bonds, Series 2015	7/14/2015	2.26%	2,200,000	1,342,000	-	(233,000)	1,109,000	241,000
Total direct placement bonds payable				5,393,544	-	(370,095)	5,023,449	386,119
Total Bonds Payable				5,393,544	-	(370,095)	5,023,449	386,119
Other Liabilities								
Compensated absences				316,480	200,132	(206,682)	309,930	155,000
Net pension liability				6,277,291	788,363	(500,979)	6,564,675	-
Total governmental long-term liabilities				\$ 11,987,315	\$ 988,495	\$ (1,077,756)	\$ 11,898,054	\$ 541,119

For governmental activities, compensated absences and net position liabilities are generally liquidated through the General Fund.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 7. Long-Term Liabilities, continued

Long-Term Debt	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2020	Additions	Retirements	June 30, 2021	Current Portion
Business-Type Activities								
Public Offerings Bonds:								
Waste Water Treatment Plant Revenue Bond	6/1/2012	2.75%	2,637,000	2,288,521	-	(46,497)	2,242,024	47,789
Total business-type public offering bonds payable				2,288,521	-	(46,497)	2,242,024	47,789
Direct Placement Bonds Payable:								
General Obligation Limited Tax Water Bonds, Series 2019	8/15/2019	2.16%	2,173,729	2,135,729		(108,533)	2,027,196	96,457
General Obligation Limited Tax Medium-Term, Series 2014	6/17/2017	2.43%	2,100,000	950,000	-	(222,000)	728,000	232,000
Water Revenue Bonds, Series 2015	10/8/2015	2.63%	747,000	695,755	-	(11,412)	684,343	12,397
Total business-type direct placement bonds payable				3,781,484	-	(341,945)	3,439,539	340,854
Total business-type long-term debt				6,070,005	-	(388,442)	5,681,563	388,643
Capital leases payable:								
2019 Hook Lift - Compost/Garbage Lease	9/19/2019	2.36%	464,990	420,416		(89,628)	330,788	91,756
2018 Caterpillar Wheel Loader Compost Lease	1/18/2018	4.20%	231,738	136,963	-	(30,882)	106,081	30,904
Total Capital Lease Payable				557,379	-	(120,510)	436,869	122,660
Other Liabilities								
Net pension liability				1,313,476	214,919	(108,369)	1,420,026	-
Compensated absences				32,886	16,860	(21,477)	28,269	28,269
Total business-type long-term liabilities				\$ 7,973,746	\$ 231,779	\$ (638,798)	\$ 7,566,727	\$ 539,572
Component Unit								
Johnson Springs								
Other Liabilities								
Net pension liability				129,051	1,516	(9,258)	121,309	-
Compensated absences				5,718	7,864	(3,734)	9,848	9,848
Total Component Unit long-term liabilities				\$ 134,769	\$ 9,380	\$ (12,992)	\$ 131,157	\$ 9,848

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 7. Long-Term Liabilities, Continued

Revenue Bonds

The City has pledged future net revenues from the City’s Municipal Water System to repay \$2,173,729 and \$747,000 in water revenue bonds issued in November 1998 and 2019, respectively, with interest rates of 2.16% and 2.63%, 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 2039 and 2056.

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, 2021:

Year Ending June 30,	Governmental Activities		Business-Type Activities			
	Direct Placement Bonds		Public Offering Bonds		Direct Placement Bonds	
	Principle	Interest	Principle	Interest	Principle	Interest
2022	\$ 386,119	\$ 190,721	\$ 47,789	\$ 61,175	\$ 340,854	\$ 78,802
2023	401,597	178,695	49,117	59,847	354,277	70,742
2024	356,938	167,280	50,323	58,641	366,708	62,406
2025	371,414	155,228	51,880	57,084	116,287	53,680
2026	385,798	143,109	53,321	55,643	118,876	51,091
2027-2031	986,329	581,080	289,517	255,304	635,253	214,581
2032-2036	1,206,133	335,242	331,946	212,874	709,225	140,609
2037-2041	929,121	64,720	380,856	163,964	434,992	65,525
2042-2046	-	-	436,813	109,230	110,236	40,964
2047-2051	-	-	500,993	43,827	125,651	25,549
2052-2056	-	-	49,469	499	127,180	8,039
2057-2061	-	-	-	-	-	-
Total Principal	<u>\$ 5,023,449</u>	<u>\$ 1,816,075</u>	<u>\$ 2,242,024</u>	<u>\$ 1,078,088</u>	<u>\$ 3,439,539</u>	<u>\$ 811,988</u>

The City’s outstanding bonds from direct placements of \$8,462,988 are secured with pledged revenues. The outstanding issues from direct placement contain provisions that in an event of default, the bonds become taxable and the interest rate on the bonds increases.

The City has no unused lines of credit at June 30, 2021.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 8. Capital Leases Payable

The government has entered into two lease agreements, which are considered capital leases in accordance with Financial Accounting Standard Board ASC 840-30-25. The two leases are shown in the combined garbage/compost fund. The total amount of equipment capitalized under the leases is \$696,378 for the business-type activities. 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 2.36% to 4.2% under the capital leases, together with the present value of the net minimum lease payments:

Year Ending June 30	Business-type Activities
2022	\$ 140,135
2023	198,550
2024	99,024
2025	22,512
2026	-
Total remaining minimum lease payments	460,221
Less amount representing interest	(23,352)
Present value of net remaining minimum lease payments	\$ 436,869

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

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 and also in the supplementary information. Segment information for the other proprietary funds is disclosed in the basic financial statements.

	06/30/21
Operating revenues	\$ 721,512
Depreciation and amortization	(392,004)
Operating expenses	(421,719)
Operating income/(loss)	(92,211)
Nonoperating revenues and (expenses)	(30,003)
Change in net position	(122,214)
Beginning net position	3,800,854
Ending net position	3,678,640
Net working capital	(1,744,910)
Total assets	5,913,950
Total deferred outflows	20,993
Current liabilities	69,787
Due to primary government	2,049,614
Bonds and other long term debt obligations	121,309
Total deferred inflows	15,593
Net Position	
Net investment in capital assets	3,489,845
Unrestricted	188,795
Total Net Position	\$ 3,678,640
<u>Condensed Statement of Cash Flows</u>	
Net cash flows from:	
Operating activities	\$ 311,806
Noncapital financing activities	(107,117)
Capital and related financing activities	(36,607)
Investing activities	5,188
Net Increase (decrease)	\$ 173,270
Beginning cash and cash equivalents	109,213
Ending cash and cash equivalents	\$ 282,483

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 10. Interfund Receivables, Payables, and Transfers

As of June 30, 2021 interfund receivables and payables that resulted from various interfund transactions for the primary government were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 34,440	\$ -
Nonmajor funds:		
Grant Fund	-	34,440
Total	\$ 34,440	\$ 34,440

As of June 30, 2021, interfund receivables and payables that resulted from transactions between the primary government and the component unit were as follows:

	Due from Component Unit	Due to Primary Government
Water Fund:		
Interest receivable	\$ 22,418	\$ -
Debt repayment receivable	2,027,196	-
Component Unit		
Interest payable	-	22,418
Debt repayment payable	-	2,027,196
Total	\$ 2,049,614	\$ 2,049,614

In 1998, 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, 2021 are as follows:

	Transfers out:		
Transfer in:	General	Non-major Ad Valorem Capital Projects	Total Transfers in
Nonmajor Governmental Funds			
Welcome Center Fund	\$ 171,120	\$ -	\$ 171,120
Wendover Will Landmark Fund	22,100	-	22,100
Capital Projects Fund	502,720	40,585	543,305
Total transfers out	\$ 695,940	\$ 40,585	\$ 736,525

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

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

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.

NOTE 11. 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.

NOTE 12. 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, 2021 this amount was held as restricted in the Recreation Fund.

NOTE 13. 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, 2021

NOTE 14. 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, 2021, the general obligation debt limit and available borrowing capacity of the City of West Wendover was \$44,197,808.

NOTE 15. 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 accepts 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 \$623,255 as of June 30, 2021. The City had two cells in operation during fiscal year 2021. The Class I cell has used 100% of available capacity and a new Class I cell was constructed in fiscal year 2016 according to the 2014 Volumetric Survey. The City constructed new cells for operation since 2016, which includes Class III cell, Cell C, Cell B (once fully excavated), and Cell E to be sufficient for an additional 149 months of 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 all cells in operation during 2021. The City maintained an insurance policy with a face amount of \$529,422 at June 30, 2021. Additional financial assurance for closure and post-closure costs is accomplished by the City restricting \$95,000 in cash in the garbage and compost fund. See the statement of net position and restricted cash footnote.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 16. 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.

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, 2021. 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
2021	\$ -	\$ 671,729	\$ 671,729	\$ -
2020	\$ -	\$ 418,723	\$ 418,723	\$ -
2019	\$ -	\$ 626,197	\$ 626,197	\$ -

NOTE 17. Retirement and Pension Plans

Public Employees' Retirement System of Nevada (PERS)

Plan description

PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability. The report is available on the website at <https://www.nvpers.org/>.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 17. Retirement and Pension Plans, Continued

Benefits provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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

Vesting

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

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

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 17. Retirement and Pension Plans, Continued

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC).

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

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

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

For fiscal years ended June 30, 2020, and 2021, the Statutory Employer/employee matching rate was 15.25% and 15.25% for Regular and 22.00% and 22.00% for Police/Fire.

For the fiscal year ended June 30, 2020, and 2021, the Employer-Pay Contribution (EPC) rate was 29.25% and 29.25% for Regular and 42.50% and 42.50% for Police/Fire.

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

Year Ended June 30,	Regular Fund	Police/Fire Fund
2019	222,775	322,229
2020	247,247	359,249
2021	252,184	366,421

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 17. Retirement and Pension Plans, Continued

Investment policy

The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Board adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return*
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

*As of June 30, 2020, PERS' long-term inflation assumption was 2.75%.

Pension liability

Net pension liability

At June 30, 2021, the City reported a liability of \$8,106,010 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. The City's proportion measured as of June 30, 2020, was 0.05820 percent, which was a increase of 0.00159 percent from its proportion measured as of June 30, 2019.

Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2021, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset) / liability	\$ 12,642,244	\$ 8,106,010	\$ 4,334,469

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 17. Retirement and Pension Plans, Continued

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website www.nvpers.org.

Actuarial assumptions

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

Inflation rate	2.75%
Investment rate of return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period July 1, 2012 through June 30, 2016.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

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

For the year ended June 30, 2021, the City recognized pension expense for PERS of \$587,142. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2021

NOTE 17. Retirement and Pension Plans, Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,848	\$ 104,668
Changes in assumptions	227,689	-
Net difference between projected and actual earnings on pension plan investments	-	306,211
Subtotal	479,537	410,879
Changes in proportion and differences between contributions and proportional share of contributions	304,654	631,039
Contributions subsequent to the measurement date	618,605	-
Total	\$ 1,402,796	\$ 1,041,918
Governmental activities	\$ 1,136,058	\$ 843,800
Business-type activities	245,744	182,525
Component unit	20,993	15,593
	\$ 1,402,796	\$ 1,041,918

Average expected remaining service lives 6.13 years

The \$618,605 reported as deferred outflows of resources related to PERS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pensions, excluding the changes in proportion and differences between actual contributions and proportionate share of contributions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2022	\$ (128,174)
2023	63,773
2024	73,650
2025	51,529
2026	7,360
2027	521
Thereafter	-

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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.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA SCHEDULES

CITY OF WEST WENDOVER, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Property taxes					
Ad valorem	\$ 1,352,955	\$ 1,300,300	\$ 1,301,208	\$ 908	\$ 1,280,236
Personal property	242,321	242,321	254,551	12,230	183,309
Central assessments	20,193	20,193	22,476	2,283	20,609
Total property taxes	<u>1,615,469</u>	<u>1,562,814</u>	<u>1,578,235</u>	<u>15,421</u>	<u>1,484,154</u>
Licenses and permits					
Liquor licenses	1,200	150	240	90	120
City gaming licenses	211,300	207,000	206,304	(696)	206,232
Animal licenses	1,000	685	730	45	1,344
Business licenses	16,500	17,100	17,325	225	16,825
Right of way toll	306,800	284,600	255,582	(29,018)	295,900
Building permits	22,000	22,000	20,501	(1,499)	100,569
Special permits and fees	698,400	783,100	856,445	73,345	484,215
Franchise fees	398,000	367,821	380,431	12,610	372,852
Carlines taxes	100	100	101	1	101
Total licenses and permits	<u>1,655,300</u>	<u>1,682,556</u>	<u>1,737,659</u>	<u>55,103</u>	<u>1,478,158</u>
Intergovernmental revenue					
State consolidated revenue	3,026,700	2,971,600	3,174,768	203,168	3,011,445
1.75 cent gas tax	34,100	31,700	34,748	3,048	33,895
2.35 cent gas tax	49,500	48,600	49,167	567	46,835
County road tax	24,900	23,300	25,240	1,940	23,729
County transportation funds	188,288	180,000	180,000	-	193,400
County gaming tax	405,000	426,000	513,765	87,765	385,985
Federal/state grants	374,000	34,000	125,748	91,748	14,043
Infrastructure tax	75,000	75,000	75,243	243	74,572
Marijuana revenue disbursement	6,000	6,000	5,363	(637)	5,411
Reimbursement from Elko County	178,670	179,270	197,367	18,097	179,270
Total intergovernmental revenue	<u>4,362,158</u>	<u>3,975,470</u>	<u>4,381,409</u>	<u>405,939</u>	<u>3,968,585</u>
Charges for services					
Special police services	2,000	1,200	1,360	160	1,795
Work cards	2,000	21,700	24,339	2,639	20,301
Special fire protection services	10,000	14,000	14,625	625	7,804
Dispatch fees	10,000	7,584	7,584	-	5,852
Animal shelter fees	3,000	1,300	1,394	94	1,985
Pipeline administrative services	1,900	1,900	1,900	-	1,900
Miscellaneous	50,106	51,606	55,206	3,600	19,243
Total general	<u>79,006</u>	<u>99,290</u>	<u>106,408</u>	<u>7,118</u>	<u>58,880</u>
Fines and forfeitures					
Fines and fees	70,600	52,350	52,097	(253)	72,274
Total fines and forfeitures	<u>70,600</u>	<u>52,350</u>	<u>52,097</u>	<u>(253)</u>	<u>72,274</u>
Miscellaneous					
Interest	12,000	3,000	2,627	(373)	10,461
Donations	168,000	168,000	166,000	(2,000)	165,000
Rents and royalties	31,200	29,500	19,698	(9,802)	31,197
Miscellaneous	6,000	6,100	9,983	3,883	1,800
Total miscellaneous	<u>217,200</u>	<u>206,600</u>	<u>198,308</u>	<u>(8,292)</u>	<u>208,458</u>
Total revenues	<u>7,999,733</u>	<u>7,579,080</u>	<u>8,054,116</u>	<u>475,036</u>	<u>7,270,509</u>

(continued)

CITY OF WEST WENDOVER, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020), Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Expenditures					
General government					
Administration and finance					
Salaries and wages	441,340	441,340	456,885	(15,545)	472,631
Employee benefits	215,175	295,175	293,049	2,126	214,318
Services and supplies	458,400	457,450	437,039	20,411	398,758
Total administration and finance	<u>1,114,915</u>	<u>1,193,965</u>	<u>1,186,973</u>	<u>6,992</u>	<u>1,085,707</u>
Elections					
Services and supplies	2,000	2,000	919	1,081	-
Total general government	<u>1,116,915</u>	<u>1,195,965</u>	<u>1,187,892</u>	<u>8,073</u>	<u>1,085,707</u>
Judicial					
Municipal court					
Salaries and wages	234,897	234,897	226,397	8,500	218,465
Employee benefits	139,139	139,139	121,809	17,330	122,193
Services and supplies	58,450	57,950	42,985	14,965	40,441
Total judicial	<u>432,486</u>	<u>431,986</u>	<u>391,191</u>	<u>40,795</u>	<u>381,099</u>
Public safety					
Police					
Salaries and wages	1,190,225	1,194,925	1,159,065	35,860	1,139,237
Employee benefits	738,293	739,993	711,738	28,255	660,288
Services and supplies	285,800	296,400	268,834	27,566	239,197
Capital outlay	156,400	151,000	149,804	1,196	25,017
Total police department	<u>2,370,718</u>	<u>2,382,318</u>	<u>2,289,441</u>	<u>92,877</u>	<u>2,063,739</u>
Fire					
Salaries and wages	423,949	429,949	424,929	5,020	386,878
Employee benefits	249,097	255,597	249,194	6,403	221,513
Services and supplies	104,600	100,600	62,460	38,140	89,133
Total fire department	<u>777,646</u>	<u>786,146</u>	<u>736,583</u>	<u>49,563</u>	<u>697,524</u>
Dispatch center					
Salaries and wages	341,949	341,949	294,573	47,376	295,807
Employee benefits	186,610	186,610	160,053	26,557	165,527
Services and supplies	47,200	39,450	32,400	7,050	33,401
Total dispatch center	<u>575,759</u>	<u>568,009</u>	<u>487,026</u>	<u>80,983</u>	<u>494,735</u>
Total public safety	<u>3,724,123</u>	<u>3,736,473</u>	<u>3,513,050</u>	<u>223,423</u>	<u>3,255,998</u>
Public works					
Paved streets					
Salaries and wages	70,422	70,422	16,783	53,639	17,575
Employee benefits	38,185	38,185	8,064	30,121	8,778
Services and supplies	250,800	297,700	291,180	6,520	138,425
Total paved streets	<u>359,407</u>	<u>406,307</u>	<u>316,027</u>	<u>90,280</u>	<u>164,778</u>

(continued)

CITY OF WEST WENDOVER, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020), Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
General					
Salaries and wages	253,521	253,521	235,389	18,132	249,262
Employee benefits	137,467	137,467	132,572	4,895	134,924
Services and supplies	29,700	30,650	26,089	4,561	37,280
Total general	<u>420,688</u>	<u>421,638</u>	<u>394,050</u>	<u>27,588</u>	<u>421,466</u>
Total public works	<u>780,095</u>	<u>827,945</u>	<u>710,077</u>	<u>117,868</u>	<u>586,244</u>
Community development					
Salaries and wages	157,799	175,699	140,607	35,092	137,500
Employee benefits	69,715	80,615	63,209	17,406	60,390
Services and supplies	214,200	185,200	71,812	113,388	88,186
Total community development	<u>441,714</u>	<u>441,514</u>	<u>275,628</u>	<u>165,886</u>	<u>286,076</u>
Health					
Public health services					
Services and supplies	<u>34,400</u>	<u>54,400</u>	<u>42,767</u>	<u>11,633</u>	<u>6,066</u>
Animal control					
Salaries and wages	63,323	63,323	63,523	(200)	61,981
Employee benefits	37,104	37,104	31,858	5,246	30,387
Services and supplies	25,400	21,950	18,870	3,080	16,574
Capital outlay	-	-	-	-	45,552
Total animal control	<u>125,827</u>	<u>122,377</u>	<u>114,251</u>	<u>19,759</u>	<u>154,494</u>
Total health	<u>160,227</u>	<u>176,777</u>	<u>157,018</u>	<u>31,392</u>	<u>160,560</u>
Culture and recreation					
Library service					
Services and supplies	<u>17,600</u>	<u>18,600</u>	<u>13,598</u>	<u>5,002</u>	<u>14,755</u>
Total culture and recreation	<u>17,600</u>	<u>18,600</u>	<u>13,598</u>	<u>5,002</u>	<u>14,755</u>
Community support					
Miscellaneous					
Services and supplies	<u>31,000</u>	<u>31,000</u>	<u>17,019</u>	<u>13,981</u>	<u>48,890</u>
Total community support	<u>31,000</u>	<u>31,000</u>	<u>17,019</u>	<u>13,981</u>	<u>48,890</u>
Debt services	<u>56,062</u>	<u>56,062</u>	<u>56,062</u>	<u>-</u>	<u>56,249</u>
Total expenditures	<u>6,760,222</u>	<u>6,916,322</u>	<u>6,321,535</u>	<u>606,420</u>	<u>5,875,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,239,511</u>	<u>662,758</u>	<u>1,732,581</u>	<u>(1,069,823)</u>	<u>1,394,931</u>
Other financing sources (uses)					
Transfers out	<u>(990,000)</u>	<u>(695,940)</u>	<u>(695,940)</u>	<u>-</u>	<u>(589,000)</u>
Total other financing sources and uses	<u>(990,000)</u>	<u>(695,940)</u>	<u>(695,940)</u>	<u>-</u>	<u>(589,000)</u>
Net change in fund balance	<u>249,511</u>	<u>(33,182)</u>	<u>1,036,641</u>	<u>1,069,823</u>	<u>805,931</u>
Fund balance, beginning of year	<u>2,707,192</u>	<u>2,707,192</u>	<u>2,707,192</u>	<u>-</u>	<u>1,901,261</u>
Fund balance, end of year	<u>\$ 2,956,703</u>	<u>\$ 2,674,010</u>	<u>\$ 3,743,833</u>	<u>\$ 1,069,823</u>	<u>\$ 2,707,192</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Taxes					
Room taxes	\$ 1,864,170	\$ 1,510,700	\$ 1,602,940	\$ 92,240	\$ 1,599,360
Total revenues	<u>1,864,170</u>	<u>1,510,700</u>	<u>1,602,940</u>	<u>92,240</u>	<u>1,599,360</u>
Expenditures					
Culture and recreation					
Room tax distribution	1,869,862	1,503,900	1,557,452	(53,552)	1,615,810
Total culture and recreation	<u>1,869,862</u>	<u>1,503,900</u>	<u>1,557,452</u>	<u>(53,552)</u>	<u>1,615,810</u>
 Total expenditures	 <u>1,869,862</u>	 <u>1,503,900</u>	 <u>1,557,452</u>	 <u>(53,552)</u>	 <u>1,615,810</u>
 Net change in fund balance	 (5,692)	 6,800	 45,488	 38,688	 (16,450)
Fund balance, beginning of year	118,114	118,114	118,114	-	134,564
Fund balance, end of year	<u>\$ 112,422</u>	<u>\$ 124,914</u>	<u>\$ 163,602</u>	<u>\$ 38,688</u>	<u>\$ 118,114</u>

CITY OF WEST WENDOVER, NEVADA
Schedule of the Proportionate Share of the Net Pension Liability
Public Employees' Retirement System of Nevada
June 30, 2021
Last 10 Fiscal Years

	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability (asset)	0.058200%	0.056610%	0.062480%	0.062300%	0.063600%	0.059820%	0.068384%
Proportionate share of the net pension liability (asset)	\$ 8,106,010	\$ 7,719,816	\$ 8,521,101	\$ 8,286,307	\$ 8,558,081	\$ 6,854,700	\$ 6,653,165
Covered payroll	\$ 3,604,289	\$ 3,394,178	\$ 3,327,353	\$ 3,429,997	\$ 3,355,482	\$ 2,961,477	\$ 3,113,721
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	224.90%	227.44%	256.09%	241.58%	255.05%	231.46%	213.67%
Plan fiduciary net position as a percentage of the total pension liability	77.0%	76.5%	74.4%	72.2%	75.1%	76.30%	76.30%

The City implemented GASB 68 in fiscal year 2015. Prior year information is not available.

CITY OF WEST WENDOVER, NEVADA
Schedule of Contributions
Public Employees' Retirement System of Nevada
June 30, 2021
Last 10 Fiscal Years

	Reporting Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 618,605	\$ 610,996	\$ 545,004	\$ 579,653	\$ 559,234	\$ 539,193	\$ 461,652
Contributions in relation to the contractually required contribution	\$ (618,605)	\$ (610,996)	\$ (545,004)	\$ (579,653)	\$ (559,234)	\$ (539,193)	\$ (461,652)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,650,188	\$ 3,604,289	\$ 3,394,178	\$ 3,327,353	\$ 3,429,997	\$ 3,355,482	\$ 2,961,477
Contributions as a percentage of covered-employee payroll	16.95%	16.95%	16.06%	16.30%	16.07%	15.59%	15.53%

The City implemented GASB 68 in fiscal year 2015. Prior year information is not available.

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SUPPLEMENTARY INFORMATION

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

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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue						Capital Project			Total
	Seizure Forfeiture Fund	Court Administrative Assessment Fund	Welcome Center Fund	Wendover Will Landmark Fund	Grant Fund	Capital Projects Fund	Ad Valorem Capital Projects Fund	Nonmajor Governmental Funds		
Assets										
Cash and investments	\$ 22,960	\$ 63,879	\$ 17,238	\$ 14,640	\$ 34,440	\$ 179,300	\$ 27,092	\$ 359,549		
Due from other governments	-	-	-	-	-	-	17,468	17,468		
Inventory	-	-	1,307	-	-	-	-	1,307		
Restricted cash	-	-	-	-	-	313,500	-	313,500		
Total assets	\$ 22,960	\$ 63,879	\$ 18,545	\$ 14,640	\$ 34,440	\$ 492,800	\$ 44,560	\$ 691,824		
Liabilities										
Accounts payable	\$ 19,173	\$ -	\$ 915	\$ 190	\$ -	\$ 108,839	\$ -	\$ 129,117		
Due to other funds	-	-	-	-	34,440	-	-	34,440		
Total liabilities	19,173	-	915	190	34,440	108,839	-	163,557		
Fund Balances										
Nonspendable	-	-	1,307	-	-	-	-	1,307		
Restricted	3,787	63,879	16,323	-	-	383,961	44,560	512,510		
Committed	-	-	-	14,450	-	-	-	14,450		
Total fund balances	3,787	63,879	17,630	14,450	-	383,961	44,560	528,267		
Total liabilities and fund balances	\$ 22,960	\$ 63,879	\$ 18,545	\$ 14,640	\$ 34,440	\$ 492,800	\$ 44,560	\$ 691,824		

CITY OF WEST WENDOVER, NEVADA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					Capital Project			Total Nonmajor Governmental Funds
	Seizure Forfeiture Fund	Court Administrative Assessment Fund	Welcome Center Fund	Wendover Will Landmark Fund	Grant Fund	Capital Projects Fund	Ad Valorem Capital Projects Fund		
Revenues									
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,999	\$ 57,999	\$ 57,999
Intergovernmental	-	-	85,450	-	662,607	22,528	-	-	770,585
Charges for services	-	6,900	-	-	-	-	-	-	6,900
Miscellaneous	-	51	1,838	567	-	278,440	-	-	280,896
Total revenues	-	6,951	87,288	567	662,607	300,968	57,999		1,116,380
Expenditures									
Judicial	-	3,615	-	-	-	-	-	-	3,615
Public safety	-	-	-	-	662,607	-	-	-	662,607
Community support	-	-	277,654	20,246	-	-	-	-	297,900
Capital outlay	-	-	-	-	-	256,959	-	-	256,959
Debt service	-	-	-	-	-	518,134	-	-	518,134
Total expenditures	-	3,615	277,654	20,246	662,607	775,093	-	-	1,739,215
Excess (deficiency) of revenues over (under) expenditures	-	3,336	(190,366)	(19,679)	-	(474,125)	57,999		(622,835)
Other financing sources (uses)									
Transfers in	-	-	171,120	22,100	-	543,305	-	-	736,525
Transfers out	-	-	-	-	-	-	(40,585)		(40,585)
Total other financing sources (uses)	-	-	171,120	22,100	-	543,305	(40,585)		695,940
Net change in fund balances	-	3,336	(19,246)	2,421	-	69,180	17,414		73,105
Fund balances, beginning of year	3,787	60,543	36,876	12,029	-	314,781	27,146		455,162
Fund balances, end of year	\$ 3,787	\$ 63,879	\$ 17,630	\$ 14,450	\$ -	\$ 383,961	\$ 44,560		\$ 528,267

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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Miscellaneous					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Public Safety					
Services and supplies	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-	-
Other financing sources					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	3,787	3,787	3,787	-	3,787
Fund balance, end of year	<u>\$ 3,787</u>	<u>\$ 3,787</u>	<u>\$ 3,787</u>	<u>\$ -</u>	<u>\$ 3,787</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Charges for services					
Court assessments	\$ 8,500	\$ 7,200	\$ 6,900	\$ (300)	\$ 9,679
Miscellaneous					
Interest	400	50	51	1	297
Total revenues	<u>8,900</u>	<u>7,250</u>	<u>6,951</u>	<u>(299)</u>	<u>9,976</u>
Expenditures					
Judicial					
Services and supplies	1,000	400	383	17	570
Capital outlay	<u>3,000</u>	<u>6,850</u>	<u>3,232</u>	<u>3,618</u>	<u>6,839</u>
Total expenditures	<u>4,000</u>	<u>7,250</u>	<u>3,615</u>	<u>3,635</u>	<u>7,409</u>
Excess of revenue and other sources over (under) expenditures	4,900	-	3,336	(3,934)	2,567
Other financing sources					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
Net change in fund balance	4,900	-	3,336	(3,934)	11,567
Fund balance, beginning of year	<u>60,543</u>	<u>60,543</u>	<u>60,543</u>	<u>-</u>	<u>48,976</u>
Fund balance, end of year	<u><u>\$ 65,443</u></u>	<u><u>\$ 60,543</u></u>	<u><u>\$ 63,879</u></u>	<u><u>\$ 3,336</u></u>	<u><u>\$ 60,543</u></u>

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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Intergovernmental					
Operating grants	\$ 40,000	\$ 32,000	\$ 9,750	\$ (22,250)	\$ 31,150
Elko county recreation board	83,000	75,700	75,700	-	75,700
Total intergovernmental	<u>123,000</u>	<u>107,700</u>	<u>85,450</u>	<u>(22,250)</u>	<u>106,850</u>
Miscellaneous					
Merchandise sales	2,500	1,500	1,838	338	3,050
Total miscellaneous	<u>2,500</u>	<u>1,500</u>	<u>1,838</u>	<u>338</u>	<u>3,050</u>
Total revenues	<u>125,500</u>	<u>109,200</u>	<u>87,288</u>	<u>(21,912)</u>	<u>109,900</u>
Expenditures					
Community support					
Salaries and wages	106,168	106,168	106,593	(425)	102,286
Employee benefits	59,552	59,552	59,978	(426)	54,876
Services and supplies	69,100	49,600	52,662	(3,062)	29,506
Capital outlay	80,000	65,000	58,421	6,579	54,961
Total expenditures	<u>314,820</u>	<u>280,320</u>	<u>277,654</u>	<u>2,666</u>	<u>241,629</u>
Excess of revenues over (under) expenditures	<u>(189,320)</u>	<u>(171,120)</u>	<u>(190,366)</u>	<u>(19,246)</u>	<u>(131,729)</u>
Other financing sources					
Transfers in	175,000	171,120	171,120	-	110,000
Net change in fund balance	(14,320)	-	(19,246)	(19,246)	(21,729)
Fund balance, beginning of year	<u>36,876</u>	<u>36,876</u>	<u>36,876</u>	<u>-</u>	<u>58,605</u>
Fund balance, end of year	<u>\$ 22,556</u>	<u>\$ 36,876</u>	<u>\$ 17,630</u>	<u>\$ (19,246)</u>	<u>\$ 36,876</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Miscellaneous					
Donations from private sources	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Merchandise sales	-	150	150	-	321
Interest revenue	200	450	417	(33)	77
Total revenues	<u>1,200</u>	<u>600</u>	<u>567</u>	<u>(33)</u>	<u>398</u>
Expenditures					
Community Support					
Services and supplies	<u>20,500</u>	<u>22,700</u>	<u>20,246</u>	<u>2,454</u>	<u>17,891</u>
Total expenditures	<u>20,500</u>	<u>22,700</u>	<u>20,246</u>	<u>2,454</u>	<u>17,891</u>
Excess of revenues over (under) expenditures	<u>(19,300)</u>	<u>(22,100)</u>	<u>(19,679)</u>	<u>2,421</u>	<u>(17,493)</u>
Other financing sources					
Transfers in	<u>15,000</u>	<u>22,100</u>	<u>22,100</u>	<u>-</u>	<u>20,000</u>
Net change in fund balance	(4,300)	-	2,421	2,421	2,507
Fund balance, beginning of year	<u>12,029</u>	<u>12,029</u>	<u>12,029</u>	<u>-</u>	<u>9,522</u>
Fund balance, end of year	<u><u>\$ 7,729</u></u>	<u><u>\$ 12,029</u></u>	<u><u>\$ 14,450</u></u>	<u><u>\$ 2,421</u></u>	<u><u>\$ 12,029</u></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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Intergovernmental					
Grant revenue	\$ -	\$ 745,898	\$ 662,607	\$ (83,291)	\$ 34,440
Other grant revenue	-	-	-	-	-
Total intergovernmental	<u>-</u>	<u>745,898</u>	<u>662,607</u>	<u>(83,291)</u>	<u>34,440</u>
Total revenues	<u>-</u>	<u>745,898</u>	<u>662,607</u>	<u>(83,291)</u>	<u>34,440</u>
Expenditures					
Public safety					
Salaries and wages	-	173,000	172,996	4	25,889
Employee benefits	-	197,237	278,155	(80,918)	8,551
Services and supplies	-	211,456	211,456	-	-
Total public safety	<u>-</u>	<u>581,693</u>	<u>662,607</u>	<u>(80,914)</u>	<u>34,440</u>
Total expenditures	<u>-</u>	<u>581,693</u>	<u>662,607</u>	<u>(80,914)</u>	<u>34,440</u>
Net change in fund balance	<u>-</u>	<u>164,205</u>	<u>-</u>	<u>(164,205)</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 164,205</u>	<u>\$ -</u>	<u>\$ (164,205)</u>	<u>\$ -</u>

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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Intergovernmental					
Federal grants	\$ 525,000	\$ 4,575	\$ 22,528	\$ 17,953	\$ -
Total intergovernmental	<u>525,000</u>	<u>4,575</u>	<u>22,528</u>	<u>17,953</u>	<u>-</u>
Miscellaneous					
Interest income	-	170	160	(10)	861
Donations	-	25,000	25,000	-	-
Miscellaneous	2,500	-	-	-	4,898
Sale of capital assets	-	253,280	253,280	-	-
Total miscellaneous	<u>2,500</u>	<u>278,450</u>	<u>278,440</u>	<u>(10)</u>	<u>5,759</u>
Total revenues	<u>527,500</u>	<u>283,025</u>	<u>300,968</u>	<u>17,943</u>	<u>5,759</u>
Expenditures					
General government					
Capital outlay	22,231,800	348,620	256,959	91,661	121,505
Total general government	<u>22,231,800</u>	<u>348,620</u>	<u>256,959</u>	<u>91,661</u>	<u>121,505</u>
Debt service					
Debt service - principal	318,918	318,918	318,918	-	305,507
Debt service - interest	199,216	199,216	199,216	-	209,617
Total debt service	<u>518,134</u>	<u>518,134</u>	<u>518,134</u>	<u>-</u>	<u>515,124</u>
Total expenditures	<u>22,749,934</u>	<u>866,754</u>	<u>775,093</u>	<u>91,661</u>	<u>636,629</u>
Excess of revenues over (under) expenditures	<u>(22,222,434)</u>	<u>(583,729)</u>	<u>(474,125)</u>	<u>109,604</u>	<u>(630,870)</u>
Other financing sources (uses)					
Debt proceeds	21,346,800	20,425	-	(20,425)	-
Transfers in	850,000	543,305	543,305	-	499,575
Total other financing sources	<u>22,196,800</u>	<u>563,730</u>	<u>543,305</u>	<u>(20,425)</u>	<u>499,575</u>
Net change in fund balance	(25,634)	(19,999)	69,180	89,179	(131,295)
Fund balance, beginning of year	<u>314,781</u>	<u>314,781</u>	<u>314,781</u>	<u>-</u>	<u>446,076</u>
Fund balance, end of year	<u>\$ 289,147</u>	<u>\$ 294,782</u>	<u>\$ 383,961</u>	<u>\$ 89,179</u>	<u>\$ 314,781</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Revenues					
Other taxes					
Ad valorem tax	\$ 50,000	\$ 42,000	\$ 57,999	\$ 15,999	\$ 48,160
Total revenues	<u>50,000</u>	<u>42,000</u>	<u>57,999</u>	<u>15,999</u>	<u>48,160</u>
Expenditures					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>42,000</u>	<u>57,999</u>	<u>15,999</u>	<u>48,160</u>
Other financing sources (uses)					
Transfers out	<u>(50,000)</u>	<u>(40,585)</u>	<u>(40,585)</u>	<u>-</u>	<u>(49,575)</u>
Net change in fund balance	-	1,415	17,414	15,999	(1,415)
Fund balance, beginning of year	<u>27,146</u>	<u>27,146</u>	<u>27,146</u>	<u>-</u>	<u>28,561</u>
Fund balance, end of year	<u>\$ 27,146</u>	<u>\$ 28,561</u>	<u>\$ 44,560</u>	<u>\$ 15,999</u>	<u>\$ 27,146</u>

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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Operating revenues					
Charges for services	\$ 1,353,300	\$ 1,203,000	\$ 1,300,479	\$ 97,479	\$ 1,262,586
Total operating revenues	<u>1,353,300</u>	<u>1,203,000</u>	<u>1,300,479</u>	<u>97,479</u>	<u>1,262,586</u>
Operating expenses					
Water purchases	622,100	570,000	578,326	(8,326)	508,677
Salaries and wages	196,901	196,901	220,864	(23,963)	274,927
Employee benefits	116,481	116,481	118,910	(2,429)	137,238
Services and supplies	339,916	333,116	307,444	25,672	399,073
Depreciation and amortization	138,001	143,000	140,220	2,780	142,684
Total operating expenses	<u>1,413,399</u>	<u>1,359,498</u>	<u>1,365,764</u>	<u>(6,266)</u>	<u>1,462,599</u>
Operating income	<u>(60,099)</u>	<u>(156,498)</u>	<u>(65,285)</u>	<u>91,213</u>	<u>(200,013)</u>
Nonoperating revenues (expenses)					
Interest income	56,732	51,732	38,280	(13,452)	75,950
Impact fees	12,000	1,500	1,496	(4)	8,973
Miscellaneous income	10,000	13,000	15,825	2,825	6,870
Contributions from component unit for debt payments	10,584	10,584	10,584	-	10,584
Capital outlay	(1,000)	(1,000)	(788)	212	17
Interest expense	(71,332)	(71,332)	(58,375)	12,957	(81,947)
Total nonoperating revenues (expenses)	<u>16,984</u>	<u>4,484</u>	<u>7,022</u>	<u>2,538</u>	<u>20,447</u>
Change in net position	<u>(43,115)</u>	<u>(152,014)</u>	<u>(58,263)</u>	<u>93,751</u>	<u>(179,566)</u>
Total net position, beginning of year	3,670,653	3,670,653	3,670,653	-	3,850,219
Total net position, end of year	<u>\$ 3,627,538</u>	<u>\$ 3,518,639</u>	<u>\$ 3,612,390</u>	<u>\$ 93,751</u>	<u>\$ 3,670,653</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Operating revenues					
Charges for services:					
Charges for services	\$ 1,264,700	\$ 1,035,200	\$ 1,115,614	\$ 80,414	\$ 1,111,355
Total operating revenues	<u>1,264,700</u>	<u>1,035,200</u>	<u>1,115,614</u>	<u>80,414</u>	<u>1,111,355</u>
Operating expenses					
Salaries and wages	296,049	296,049	287,898	8,151	285,967
Employee benefits	180,788	180,788	174,699	6,089	160,130
Services and supplies	493,400	426,600	408,089	18,511	465,548
Capital outlay	12,000	-	-	-	12,142
Depreciation and amortization	555,500	555,500	546,726	8,774	550,569
Total operating expenses	<u>1,537,737</u>	<u>1,458,937</u>	<u>1,417,412</u>	<u>41,525</u>	<u>1,474,356</u>
Operating loss	<u>(273,037)</u>	<u>(423,737)</u>	<u>(301,798)</u>	<u>121,939</u>	<u>(363,001)</u>
Nonoperating revenues (expenses)					
Interest income	1,000	270	223	(47)	1,338
Impact fees	12,000	-	-	-	6,691
Miscellaneous income	700	6,000	8,056	2,056	2,617
Interest expense	(70,085)	(70,085)	(70,162)	(77)	(74,275)
Total nonoperating revenues	<u>(56,385)</u>	<u>(63,815)</u>	<u>(61,883)</u>	<u>1,932</u>	<u>(63,629)</u>
Change in net position	<u>(329,422)</u>	<u>(487,552)</u>	<u>(363,681)</u>	<u>123,871</u>	<u>(426,630)</u>
Total net position, beginning of year	8,448,750	8,448,750	8,448,750	-	8,875,380
Total net position, end of year	<u>\$ 8,448,750</u>	<u>\$ 8,448,750</u>	<u>\$ 8,085,069</u>	<u>\$ (363,681)</u>	<u>\$ 8,448,750</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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Operating revenues					
Charges for services	\$ 1,535,100	\$ 1,360,700	\$ 1,388,999	\$ 28,299	\$ 1,378,388
Total operating revenues	<u>1,535,100</u>	<u>1,360,700</u>	<u>1,388,999</u>	<u>28,299</u>	<u>1,378,388</u>
Operating expenses					
Salaries and wages	369,920	369,920	282,584	87,336	253,578
Employee benefits	206,645	206,645	158,556	48,089	142,435
Services and supplies	251,598	238,098	207,718	30,380	213,201
Capital outlay	20,000	20,000	-	20,000	9,632
Depreciation and amortization	344,000	338,200	382,278	(44,078)	381,259
Total operating expenses	<u>1,192,163</u>	<u>1,172,863</u>	<u>1,031,136</u>	<u>141,727</u>	<u>1,000,105</u>
Operating income	<u>342,937</u>	<u>187,837</u>	<u>357,863</u>	<u>170,026</u>	<u>378,283</u>
Nonoperating revenues (expenses)					
Interest income	6,000	1,500	1,580	80	6,815
Miscellaneous income	3,000	20,000	21,240	1,240	11,423
Interest expense	(22,766)	(22,766)	(22,867)	(101)	(32,746)
Total nonoperating expenses	<u>(13,766)</u>	<u>(1,266)</u>	<u>(47)</u>	<u>1,219</u>	<u>(14,508)</u>
Change in net position	329,171	186,571	357,816	171,245	363,775
Total net position, beginning of year	3,968,506	3,968,506	3,968,506	-	3,604,731
Total net position, end of year	<u>\$ 4,297,677</u>	<u>\$ 4,155,077</u>	<u>\$ 4,326,322</u>	<u>\$ 171,245</u>	<u>\$ 3,968,506</u>

COMPONENT UNIT SUPPLEMENTARY SCHEDULES

CITY OF WEST WENDOVER, NEVADA
Component Unit – Johnson Springs
Statement of Net Position
For the Year Ended June 30, 2021

	Component Unit
	Johnson Springs
Assets	
Current assets	
Cash and investments	\$ 282,483
Accounts receivable, net	77,787
Inventory	14,221
Total current assets	374,491
Noncurrent assets	
Land	18,000
Buildings	6,836,936
Improvements other than buildings	411,632
Machinery and equipment	571,254
Utility system	5,316,197
Less accumulated depreciation	(7,614,560)
Total noncurrent assets	5,539,459
Total assets	5,913,950
Deferred Outflows of Resources	
Deferred outflows related to pensions	20,993
Liabilities	
Current liabilities	
Accounts payable	58,252
Accrued liabilities	1,687
Due to primary government	2,049,614
Compensated absences	9,848
Total current liabilities	2,119,401
Noncurrent liabilities:	
Net pension liability	121,309
Total noncurrent liabilities	121,309
Total liabilities	2,240,710
Deferred Inflows of Resources	
Deferred inflows related to pensions	15,593
Net Position	
Net investment in capital assets	3,489,845
Unrestricted	188,795
Total net position	\$ 3,678,640

CITY OF WEST WENDOVER, NEVADA
Component Unit – Johnson Springs
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2020
Operating revenues					
Charges for services	\$ 700,000	\$ 694,000	\$ 721,512	\$ 27,512	\$ 580,555
Total operating revenues	<u>700,000</u>	<u>694,000</u>	<u>721,512</u>	<u>27,512</u>	<u>580,555</u>
Operating expenses					
Water purchases	112,000	112,500	112,866	(366)	112,211
Salaries and wages	57,000	57,000	62,414	(5,414)	47,186
Employee benefits	44,300	44,300	10,284	34,016	(198)
Services and supplies	271,900	252,700	236,155	16,545	257,005
Depreciation and amortization	392,300	392,300	392,004	296	392,587
Total operating expenses	<u>877,500</u>	<u>858,800</u>	<u>813,723</u>	<u>45,077</u>	<u>808,791</u>
Operating loss	<u>(177,500)</u>	<u>(164,800)</u>	<u>(92,211)</u>	<u>72,589</u>	<u>(228,236)</u>
Nonoperating revenues (expenses)					
Interest income	30,000	5,250	5,188	(62)	25,241
Miscellaneous income	12,000	-	12,000	12,000	14,921
Debt paid through primary government	(10,584)	(10,584)	(10,584)	-	(10,584)
Interest expense	(50,732)	(50,732)	(36,607)	14,125	(66,606)
Total nonoperating revenues (expenses)	<u>(19,316)</u>	<u>(56,066)</u>	<u>(30,003)</u>	<u>26,063</u>	<u>(37,028)</u>
Change in net position	(196,816)	(220,866)	(122,214)	98,652	(265,264)
Total net position, beginning of year	3,800,854	3,800,854	3,800,854	-	4,066,118
Total net position, end of year	<u>\$ 3,604,038</u>	<u>\$ 3,579,988</u>	<u>\$ 3,678,640</u>	<u>\$ 98,652</u>	<u>\$ 3,800,854</u>

CITY OF WEST WENDOVER, NEVADA
Component Unit – Johnson Springs
Statement of Cash Flows
June 30, 2021

	Component Unit
	Johnson Springs
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 707,999
Cash paid to suppliers	(313,610)
Cash paid to employees	(82,583)
Net cash flows from operating activities	311,806
Cash Flows From Noncapital Financing Activities:	
Net component unit receipts/(payments)	(119,117)
Cash received from miscellaneous sources	12,000
Net cash flows from noncapital financing activities	(107,117)
Cash Flows From Capital and Related Financing Activities:	
Interest paid on capital debt	(36,607)
Acquisition and construction of capital assets	-
Net cash flows from capital and related financing activities	(36,607)
Cash Flows From Investing Activities:	
Interest income	5,188
Net change in cash and cash equivalents	173,270
Cash and investments, including restricted cash, beginning of year	109,213
Cash and Cash Equivalents, Including Restricted Cash , End of Year	\$ 282,483
Reconciliation of operating income to net cash flows from operating activities:	
Operating income (loss)	\$ (92,211)
Adjustments to reconcile net income (loss) to net cash from operating activities	
Depreciation/amortization	392,004
Pension expense	(3,801)
Employer pension contributions	(10,214)
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	(13,513)
(Increase) decrease in inventory	(2,930)
Increase (decrease) in accounts payable	38,341
Increase (decrease) in compensated absences	4,130
Net cash flows from operating activities	\$ 311,806

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, 2021, 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 September 30, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
September 30, 2021



**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, 2021, and have issued our report thereon dated September 30, 2021. 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 had one prior year compliance finding that was resolved during fiscal year 2021. We noted one new instance of noncompliance during fiscal year 2021. See the accompanying schedule of 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 (combined with the General Fund for reporting)
- 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
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, 2021.

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
September 30, 2021

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, 2021

Flat Fixed Fees:

Business license revenue adjusted base at June 30, 2020	<u>\$ 21,856</u>
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Adjustment to Base:

1. Percentage change in population of the local government	0.0%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	<u>1.4%</u>	<u>1.4%</u>

Increase in base	<u>306</u>
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Adjusted base at June 30, 2020	<u>22,162</u>
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Actual revenue	<u>17,325</u>
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Amount over (under) allowable amount	<u><u>\$ (4,837)</u></u>
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HINTONBURDICK
CPAs & ADVISORS

**Findings and Recommendations
For the Fiscal Year Ended June 30, 2021**

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, 2021, 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:

2021-001 Budgetary Compliance

Criteria: NRS 354.626 states, "No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function,"

Condition: Expenditures in the Recreation Fund exceeded final budget appropriations by \$53,552 for fiscal year 2021.

Cause: The City's budgetary controls did not prevent the City from over expending the approved budget in the recreation fund.

Effect: The Recreation Fund expenditures exceed the final approved budget for fiscal year 2021.

Recommendation: We recommend the City reevaluate the budgetary controls that are designed to ensure compliance with NRS 354.626 and make adjustments as needed.

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
September 30, 2021



CITY OF WEST WENDOVER

P.O. Box 2825 • 1111 N. Gene L. Jones Way • West Wendover, NV 89883
Office (775) 664-3081 Fax (775) 664-3720

October 28, 2021

State of Nevada
Department of Taxation
1550 College Parkway, Suite 115
Attn: Keri Gransbery
Carson City NV 89706-7937

RE: Annual Audit Report – Fiscal Year 2021 - Corrective Action Plan

Dear Keri,

As requested by the State of Nevada - Department of Taxation, and in an effort to correct Compliance and Other Matters, per pages 89-90 of the City of West Wendover Financial Statements, the City submits the following:

On November 16, 2021, the audit firm of Hinton Burdick will present the annual audit for fiscal year 2021, and make the Council aware of one finding. As required, staff will present a corrective action plan for the finding to the Council for its approval at that same meeting. The finding and the plan of corrective action are outlined below.

Finding number 2021-001, addresses a compliance issue in violation of NRS 354.626 which states that, "No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function." Expenditures in the Recreation Fund exceeded final budget appropriations by \$53,552 for fiscal year 2021. The report states that the City's budgetary controls did not prevent the City from over expending the approved budget in that fund.

The City recognizes that expenditures in the Recreation Fund exceeded final budget appropriations but does not agree that it was related to budgetary controls. The non-compliance occurred because the Recreation Fund's expenditures are based solely on the amount of room tax revenue it receives. That revenue is allocated to several different entities each month on a percentage basis. Due to the ongoing COVID pandemic, in preparing the augmented budget, it was anticipated that room tax revenues would come in significantly lower than originally budgeted and, accordingly, would also decrease the expenditure allocations associated with it. Therefore, both the revenue and the expenditures were reduced. Although the room tax revenue did come in approximately 14% lower than the original budget, it also came in 5% higher than anticipated in the augmented budget. As such the City had to pay the allocations based on a percentage of that revenue, resulting in the over expenditure.

Corrective Action Plan – Where expenditures are based on percentage of revenues the City will not reduce the budget and will augment if necessary.

Thank you,

Debbie Sanchez
Chief Financial Officer