



FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
WITH REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WEST WENDOVER, NEVADA

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FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and Board
West Wendover, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, 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 (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in fiscal year 2022, the City implemented the provisions of GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension and OPEB related schedules and notes, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The major fund budgetary comparison schedules, combining and individual non-major fund budgetary schedules, and the component unit supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major fund budgetary comparison schedules, the combining and individual non-major fund budgetary schedules, and the component unit supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HintonBurdick, PLLC

St. George, Utah
October 27, 2022

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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, 2022. 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 \$32.5 million at the close of the fiscal year.
- Total net position increased by \$4.5 million from the prior year.
- Governmental activities net position increased by \$2.6 million. Business-type net position increased by \$1.9 million.
- Total revenues from all governmental sources were \$12.07 million and the total cost of all City programs were \$9.4 million.
- The General Fund revenues exceeded expenditures, excluding transfers, by \$2.76 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,442,811, or 70% 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 \$32.5 million as of June 30, 2022 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	
	06/30/22	06/30/21	06/30/22	06/30/21	06/30/22	06/30/21
Assets						
Current and other assets	\$ 7,568,537	\$ 5,470,345	\$ 9,101,739	\$ 6,827,828	\$ 16,670,276	\$ 12,298,173
Net capital assets	19,864,065	18,913,646	15,775,100	16,782,256	35,639,165	35,695,902
Total assets	27,432,602	24,383,991	24,876,839	23,610,084	52,309,441	47,994,075
Deferred outflows	2,701,647	1,136,058	603,717	245,744	3,305,364	1,381,802
Liabilities						
Current liabilities	1,410,309	876,907	86,119	82,794	1,496,428	959,701
Long-term liabilities outstanding	10,184,111	11,898,054	6,600,143	7,566,728	16,784,254	19,464,782
Total liabilities	11,594,420	12,774,961	6,686,262	7,649,522	18,280,682	20,424,483
Deferred inflows	3,927,012	843,799	877,541	182,525	4,804,553	1,026,324
Net position:						
Net investment in capital assets	14,371,482	13,890,197	12,305,019	12,799,552	26,676,501	26,689,749
Restricted	334,273	231,268	894,208	786,745	1,228,481	1,018,013
Unrestricted	(92,938)	(2,220,176)	4,717,526	2,437,484	4,624,588	217,308
Total net position	\$ 14,612,817	\$ 11,901,289	\$ 17,916,753	\$ 16,023,781	\$ 32,529,570	\$ 27,925,070

Governmental Activities

The cost of all Governmental activities this year was \$9,438,727. As shown on the statement of Changes in Net Position on the following page, \$1,597,973 of this cost was paid for by those who directly benefited from the programs; \$2,048,931 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 \$3,646,940. General taxes, asset sales, and other general revenues totaled \$8,425,429.

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.

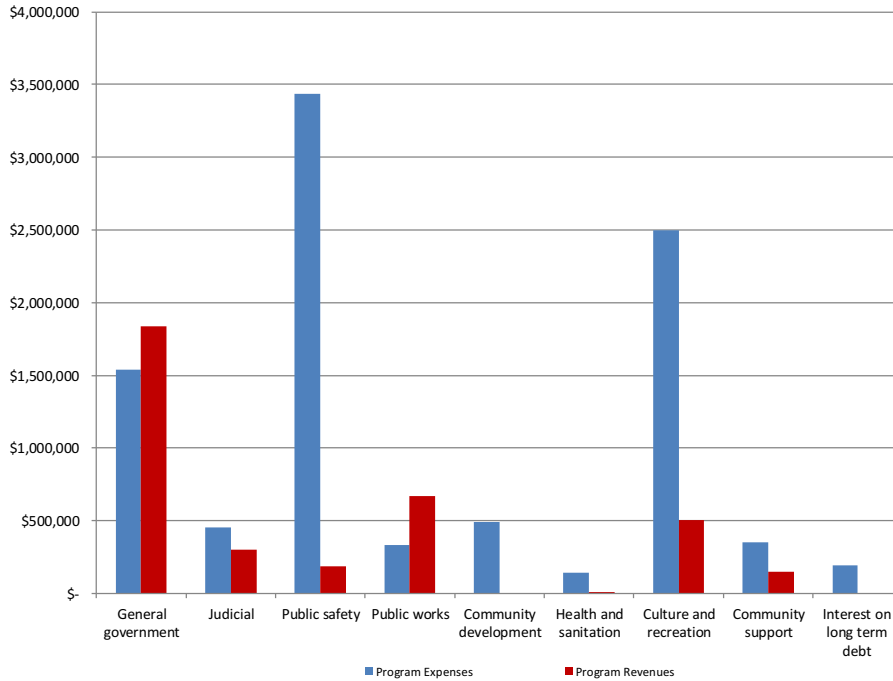
City of West Wendover, Nevada
Changes in Net Position

	Governmental activities		Business-type activities		Combined Total	
	06/30/22	06/30/21	06/30/22	06/30/21	06/30/22	06/30/21
Revenues:						
Program revenues:						
Charges for services	\$ 1,597,973	\$ 1,485,953	\$ 4,327,971	\$ 3,805,092	\$ 5,925,944	\$ 5,291,045
Operating grants	1,545,394	1,039,804	1,399,752	-	2,945,146	1,039,804
Capital grants	503,537	227,528	-	1,496	503,537	229,024
General revenues:						
State shared revenue (unrestricted)	3,431,645	3,174,768	-	-	3,431,645	3,174,768
Room taxes	1,967,604	1,602,940	-	-	1,967,604	1,602,940
Ad valorem taxes	1,750,136	1,711,478	-	-	1,750,136	1,711,478
County gaming taxes	438,278	513,765	-	-	438,278	513,765
Franchise taxes	393,399	380,431	-	-	393,399	380,431
Right of way toll	256,628	255,582	-	-	256,628	255,582
Motor vehicle taxes	106,163	109,155	-	-	106,163	109,155
Other taxes	4,560	5,363	-	-	4,560	5,363
Investment earnings	5,852	2,838	50,726	40,083	56,578	42,921
Gain on sale of capital assets	-	202,324	-	-	-	202,324
Miscellaneous revenues	71,164	10,551	57,096	55,705	128,260	66,256
Total revenues	<u>12,072,333</u>	<u>10,722,480</u>	<u>5,835,545</u>	<u>3,902,376</u>	<u>17,907,878</u>	<u>14,624,856</u>
Expenses:						
General government	1,538,091	1,719,931	-	-	1,538,091	1,719,931
Judicial	453,528	391,744	-	-	453,528	391,744
Public safety	3,437,837	4,057,492	-	-	3,437,837	4,057,492
Public works	332,428	705,185	-	-	332,428	705,185
Community development	490,922	430,177	-	-	490,922	430,177
Health and sanitation	140,372	153,113	-	-	140,372	153,113
Culture and recreation	2,495,841	1,635,301	-	-	2,495,841	1,635,301
Community support	354,459	314,546	-	-	354,459	314,546
Interest on long term debt	195,249	201,255	-	-	195,249	201,255
Water	-	-	1,414,249	1,424,927	1,414,249	1,424,927
Sewer	-	-	1,506,864	1,487,574	1,506,864	1,487,574
Garbage/Compost	-	-	1,021,460	1,054,003	1,021,460	1,054,003
Total expenses	<u>9,438,727</u>	<u>9,608,744</u>	<u>3,942,573</u>	<u>3,966,504</u>	<u>13,381,300</u>	<u>13,575,248</u>
Increase in net position	2,633,606	1,113,736	1,892,972	(64,128)	4,526,578	1,049,608
Net position, beginning	11,901,289	10,787,553	16,023,781	16,087,909	27,925,070	26,875,462
Prior period adjustment	77,922	-	-	-	77,922	-
Net position, ending	<u>\$ 14,612,817</u>	<u>\$ 11,901,289</u>	<u>\$ 17,916,753</u>	<u>\$ 16,023,781</u>	<u>\$ 32,529,570</u>	<u>\$ 27,925,070</u>

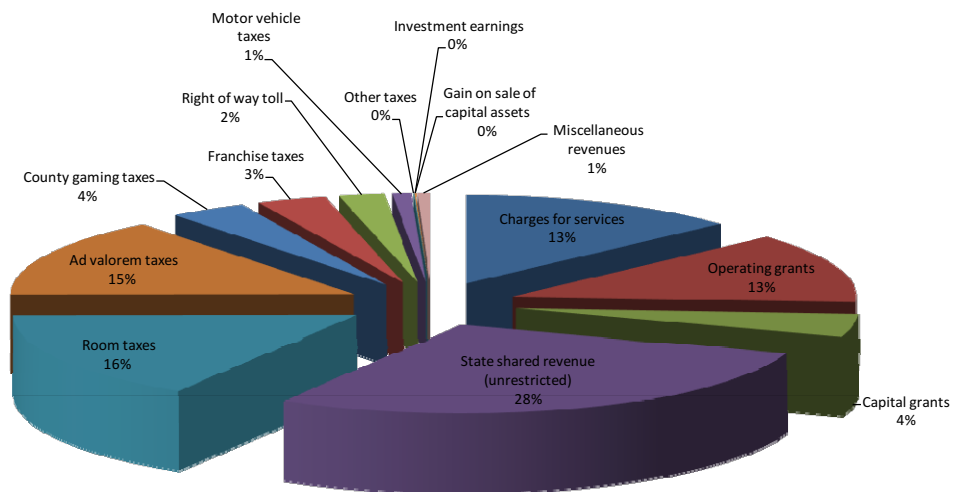
Total resources available during the year to finance governmental operations were \$23,973,662 consisting of Net Position at July 1, 2021 of \$11.9 million, program revenues of \$3.6 million and General Revenue of \$8.4 million. Total cost of Governmental Activities during the year were \$9.4 million; thus, Governmental Net Position increased by \$2,633,606 to \$14.6 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

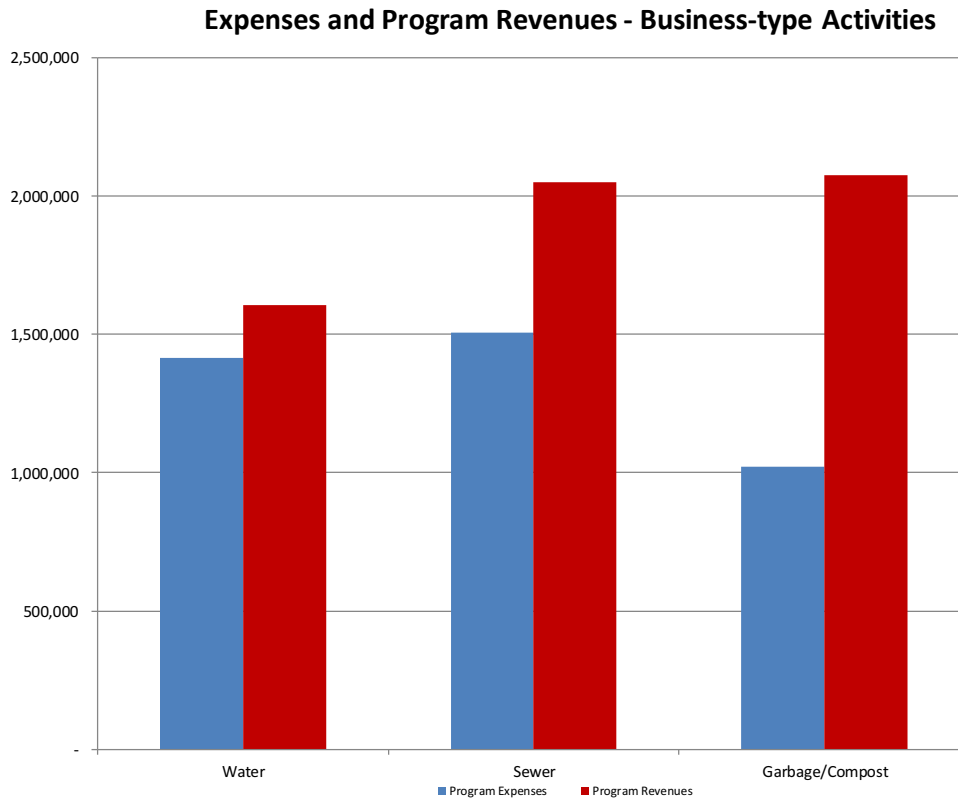


Revenues By Source - Governmental Activities



Business Type Activities

Net position of the Business Type activities at June 30, 2022, as reflected in the Statement of Net Position was \$17.9 million. The cost of providing all Proprietary (Business Type) activities this year was \$3.9 million. As shown in the Statement of Activities, the amounts paid by users of the system were \$4.3 million and \$1,399,752 was subsidized by capital grants and contributions. Unrestricted investment earnings totaled \$50,726; other revenue totaled \$57,096, thus, net position increased by \$1,892,972.



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 \$6,032,212, an increase of \$1,596,510 in comparison with the prior year. 88% of the total fund balance or \$4,442,811 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 \$4,442,811, and total fund balance is \$5,011,874. 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 70% of total general fund expenditures. During the year, the City of West Wendover's general fund balance was budgeted to increase by \$217,371. The total fund balance increased by \$1,190,119 due primarily to increases in consolidated tax revenue and lower expenditures than budgeted.

The recreation fund has a fund balance of \$260,624, all of which is restricted for culture and recreation appropriation. Change in fund balance for the year was \$97,021.

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, 2022, unrestricted net position amounted to \$1,080,614 for the water fund. The change in net position for fiscal year 2022 was \$263,148 and the change in net position for fiscal year 2021 was (\$58,263). The increase in the change in net position from the prior year was due to American Recue Plan Act grant revenues.

At June 30, 2022, unrestricted net position amounted to \$745,705 for the sewer fund. The change in net position for fiscal year 2022 was \$550,939 and the change in net position for fiscal year 2021 was (\$363,681). The increase in the change in net position from the prior year was due to American Recue Plan Act grant revenues.

At June 30, 2022, unrestricted net position amounted to \$2,891,207 for the garbage/compost fund. The change in net position for fiscal year 2022 was \$1,078,885 and the change in net position for fiscal year 2021 was \$357,816. The increase in the change in net position from the prior year was due to an increase in operating revenues and American Recue Plan Act grant revenues.

General Fund Budgetary Highlights

Actual expenditures for the General Fund at year-end were \$727,941 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 \$254,038.

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 2022, net capital assets of the government activities totaled \$19.9 million and the net capital assets of the business-type activities totaled \$15.8 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 \$10.2 million in governmental type long term liabilities, and \$6.6 million in proprietary long term liabilities. The liabilities amounts to \$3,928 per capita (4,273 – 2019 population US Census Bureau Website 2019). The City's net decrease in total long term liabilities was \$2,680,528. (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 2022-2023, 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 2022-2023 are as follows:

- 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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Johnson Springs
Assets				
Cash and temporary investments	\$ 5,858,363	\$ 5,762,391	\$ 11,620,754	\$ 559,602
Accounts receivable, net	1,161,996	445,533	1,607,529	69,090
Due from component unit	-	1,949,463	1,949,463	-
Inventory	47,324	39,515	86,839	15,053
Prepaid items	186,914	10,629	197,543	-
Restricted cash	313,940	894,208	1,208,148	-
Lease receivable	59,276	-	59,276	-
Capital assets not being depreciated:				
Land	1,416,475	111,000	1,527,475	18,000
Construction in progress	1,987,818	-	1,987,818	-
Capital assets, net of accumulated depreciation:				
Buildings, net	7,137,500	3,148,366	10,285,866	1,792,934
Improvements other than buildings, net	8,863,201	1,915,794	10,778,995	194,058
Machinery and equipment, net	459,071	722,896	1,181,967	124,407
Utility systems	-	9,877,044	9,877,044	3,027,082
Total assets	<u>27,491,878</u>	<u>24,876,839</u>	<u>52,368,717</u>	<u>5,800,226</u>
Deferred Outflows of Resources				
Deferred outflows related to pensions	<u>2,701,647</u>	<u>603,717</u>	<u>3,305,364</u>	<u>45,602</u>
Liabilities				
Accounts payable	1,100,715	34,853	1,135,568	27,846
Accrued interest payable	22,427	46,954	69,381	-
Accrued expenses	233,029	-	233,029	1,687
Due to primary government	-	-	-	1,949,463
Unearned revenue	54,138	-	54,138	-
Deposits payable	-	4,312	4,312	-
Noncurrent liabilities				
Due within one year	645,597	621,492	1,267,089	10,144
Due in more than one year	5,193,153	5,007,625	10,200,778	-
Net pension liability	4,345,361	971,026	5,316,387	73,348
Total liabilities	<u>11,594,420</u>	<u>6,686,262</u>	<u>18,280,682</u>	<u>2,062,488</u>
Deferred Inflows of Resources				
Deferred inflows related to leases	59,276	-	59,276	-
Deferred inflows related to pensions	3,927,012	877,541	4,804,553	66,286
Total deferred inflows of resources	<u>3,986,288</u>	<u>877,541</u>	<u>4,863,829</u>	<u>66,286</u>
Net Position				
Net investment in capital assets	14,371,482	12,305,019	26,676,501	3,207,018
Restricted for:				
Judicial	73,649	-	73,649	-
Culture and recreation	260,624	-	260,624	-
Debt service	-	749,208	749,208	-
Restricted for closure/post closure	-	145,000	145,000	-
Unrestricted	(92,938)	4,717,526	4,624,588	510,036
Total net position	<u>\$ 14,612,817</u>	<u>\$ 17,916,753</u>	<u>\$ 32,529,570</u>	<u>\$ 3,717,054</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, 2022

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	\$ 1,538,091	\$ 1,202,290	\$ 621,866	\$ 11,308	\$ 297,373	\$ -	\$ -
Judicial	453,528	234,578	66,914	-	(152,036)	-	(152,036)
Public safety	3,437,837	34,012	54,969	99,718	(3,249,138)	-	(3,249,138)
Public works	332,428	121,404	155,000	390,011	333,987	-	333,987
Community development	490,922	-	-	-	(490,922)	-	(490,922)
Health and sanitation	140,372	3,812	-	-	(136,560)	-	(136,560)
Culture and recreation	2,495,841	-	503,730	-	(1,992,111)	-	(1,992,111)
Community support	354,459	1,877	142,915	2,500	(207,167)	-	(207,167)
Interest on long term debt	195,249	-	-	-	(195,249)	-	(195,249)
Total governmental activities	<u>9,438,727</u>	<u>1,597,973</u>	<u>1,545,394</u>	<u>503,537</u>	<u>(5,791,823)</u>	<u>-</u>	<u>(5,791,823)</u>
Business-type:							
Water	1,414,249	1,340,630	263,207	-	-	189,588	189,588
Sewer	1,506,864	1,220,332	829,342	-	-	542,810	542,810
Garbage/Compost	1,021,460	1,767,009	307,203	-	-	1,052,752	1,052,752
Total business-type activities	<u>3,942,573</u>	<u>4,327,971</u>	<u>1,399,752</u>	<u>-</u>	<u>-</u>	<u>1,785,150</u>	<u>1,785,150</u>
Total primary government	<u>\$ 13,381,300</u>	<u>\$ 5,925,944</u>	<u>\$ 2,945,146</u>	<u>\$ 503,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,608)</u>
Component Unit:							
Johnson Springs	\$ 896,305	\$ 716,382	\$ 154,315	\$ -	\$ -	\$ -	\$ -
		General Revenues:					
		State Shared Revenue (Unrestricted)		3,431,645			3,431,645
		Room taxes		1,967,604			1,967,604
		Ad valorem taxes		1,750,136			1,750,136
		County gaming taxes		438,278			438,278
		Franchise taxes		393,399			393,399
		Right of way toll		256,628			256,628
		Motor vehicle taxes		106,163			106,163
		Other taxes		4,560			4,560
		Investment earnings		5,852		50,726	56,578
		Miscellaneous revenues		71,164		57,096	128,260
		Total general revenues and transfers		<u>8,425,429</u>		<u>107,822</u>	<u>8,533,251</u>
		Change in net position		2,633,606		1,892,972	4,526,578
		Net position - beginning		11,901,289		16,023,781	27,925,070
		Prior period adjustment		77,922		-	77,922
		Net position - ending		<u>\$ 14,612,817</u>		<u>\$ 17,916,753</u>	<u>\$ 32,529,570</u>
							<u>\$ 3,717,054</u>

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

CITY OF WEST WENDOVER, NEVADA
Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and temporary investments	\$ 4,413,720	\$ 249,059	\$ 873,025	\$ 171,877	\$ 5,707,681
Accounts receivable, net	7,909	185,059	-	-	192,968
Due from other governments	945,135	-	-	23,893	969,028
Lease receivable	59,276	-	-	-	59,276
Inventory	46,175	-	-	1,149	47,324
Prepaid and other items	116,559	-	-	-	116,559
Restricted cash	440	-	313,500	-	313,940
Total assets	<u>5,589,214</u>	<u>434,118</u>	<u>\$ 1,186,525</u>	<u>\$ 196,919</u>	<u>\$ 7,406,776</u>
Liabilities					
Accounts payable	\$ 230,897	\$ 173,494	\$ 603,251	\$ 20,479	\$ 1,028,121
Accrued liabilities	233,029	-	-	-	233,029
Unearned revenue	54,138	-	-	-	54,138
Total liabilities	<u>518,064</u>	<u>173,494</u>	<u>603,251</u>	<u>20,479</u>	<u>1,315,288</u>
Deferred Inflows of Resources					
Deferred inflows related to leases	<u>59,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,276</u>
Fund Balances					
Nonspendable			-		
Inventories	46,175	-		1,149	47,324
Prepaid items	116,559	-		-	116,559
Restricted					
Recreation district	-	260,624		-	260,624
Capital improvement projects	-	-	583,274	54,124	637,398
Courts and other judicial programs	-	-		73,649	73,649
Parks and other cultural and recreation programs	-	-		29,796	29,796
Other purposes	440	-		-	440
Committed			-		
Parks and other cultural and recreation programs	405,889	-		17,722	423,611
Unassigned	4,442,811	-	-	-	4,442,811
Total fund balances	<u>5,011,874</u>	<u>260,624</u>	<u>583,274</u>	<u>176,440</u>	<u>6,032,212</u>
Total liabilities and fund balances	<u>\$ 5,529,938</u>	<u>\$ 434,118</u>	<u>\$ 1,186,525</u>	<u>\$ 196,919</u>	<u>\$ 7,347,500</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, 2022

Total fund balances - governmental funds \$ 6,032,212

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	\$ 32,378,479	
Accumulated depreciation	<u>(12,514,414)</u>	19,864,065

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

Net pension liabilities	\$ (4,345,361)	
Bonds payable	(5,492,583)	
Compensated absences	(346,167)	
Interest payable	<u>(22,427)</u>	(10,206,538)

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.

148,443

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	\$ 2,701,647	
Deferred inflows	<u>(3,927,012)</u>	(1,225,365)

Total net position - governmental activities \$ 14,612,817

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, 2022

	General Fund	Recreation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 1,614,981	\$ 1,967,604	\$ -	\$ 59,564	\$ 3,642,149
Licenses and permits	1,935,265	-	-	-	1,935,265
Intergovernmental	5,263,677	503,730	205,511	138,275	6,111,193
Charges for services	48,446	-	-	5,733	54,179
Fines and forfeits	49,720	-	-	-	49,720
Miscellaneous revenues	205,270	-	72,431	2,325	280,026
Total revenues	<u>9,117,359</u>	<u>2,471,334</u>	<u>277,942</u>	<u>205,897</u>	<u>12,072,532</u>
Expenditures					
Current					
General government	1,170,081	-	-	-	1,170,081
Judicial	482,724	-	-	1,930	484,654
Public safety	3,599,715	-	-	-	3,599,715
Public works	571,395	-	-	-	571,395
Community development	294,600	-	-	-	294,600
Health	126,199	-	-	-	126,199
Culture and recreation	15,522	2,374,313	-	-	2,389,835
Community support	39,148	-	-	311,836	350,984
Capital outlay	-	-	1,844,895	-	1,844,895
Debt service	55,853	-	520,987	-	576,840
Total expenditures	<u>6,355,237</u>	<u>2,374,313</u>	<u>2,365,882</u>	<u>313,766</u>	<u>11,409,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,762,122</u>	<u>97,021</u>	<u>(2,087,940)</u>	<u>(107,869)</u>	<u>663,334</u>
Other Financing Sources (Uses)					
Debt proceeds	-	-	855,253	-	855,253
Transfers in	-	-	1,432,000	201,311	1,633,311
Transfers out	(1,572,003)	-	-	(61,308)	(1,633,311)
Total other financing sources and uses	<u>(1,572,003)</u>	<u>-</u>	<u>2,287,253</u>	<u>140,003</u>	<u>855,253</u>
Net change in fund balances	1,190,119	97,021	199,313	32,134	1,518,587
Fund balances, beginning of year	3,743,833	163,603	383,961	144,306	4,435,703
Prior period adjustment	77,922	-	-	-	77,922
Fund balances, end of year	<u><u>\$ 5,011,874</u></u>	<u><u>\$ 260,624</u></u>	<u><u>\$ 583,274</u></u>	<u><u>\$ 176,440</u></u>	<u><u>\$ 6,032,212</u></u>

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

CITY OF WEST WENDOVER, NEVADA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds		\$ 1,518,587
<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	\$ 1,868,889	
Depreciation expense	<u>(918,470)</u>	950,419
Payments on long term receivables recorded as revenue in the governmental funds are reported as a reduction of receivables in the statement of net position.		(199)
The issuance of long-term debt (e.g., bond, leases) provides current financial resources in the governmental funds but increases long-term liabilities in the statement of net position.		(855,253)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		386,119
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		(4,528)
<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	\$ 539,945	
Pension expense	<u>161,745</u>	701,690
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.		(36,237)
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.		(26,992)
Change in net position of governmental activities		<u><u>\$ 2,633,606</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, 2022

	<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	\$ 1,470,364	\$ 1,100,922	\$ 3,191,105	\$ 5,762,391	\$ 150,682
Accounts receivable, net	160,065	136,140	149,328	445,533	-
Inventory	34,761	4,754	-	39,515	-
Prepaid expenses	2,324	6,105	2,200	10,629	70,355
Total current assets	<u>1,667,514</u>	<u>1,247,921</u>	<u>3,342,633</u>	<u>6,258,068</u>	<u>221,037</u>
Noncurrent assets					
Restricted cash	628,424	120,784	145,000	894,208	-
Due from component unit	1,949,463	-	-	1,949,463	-
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	925,345	1,348,542	2,411,636	4,685,523	-
Utility system	2,232,105	15,820,916	-	18,053,021	-
Less accumulated depreciation	<u>(2,721,912)</u>	<u>(8,290,733)</u>	<u>(6,264,504)</u>	<u>(17,277,149)</u>	<u>-</u>
Total noncurrent assets	<u>5,376,677</u>	<u>10,249,871</u>	<u>2,992,223</u>	<u>18,618,771</u>	<u>-</u>
Total assets	<u>7,044,191</u>	<u>11,497,792</u>	<u>6,334,856</u>	<u>24,876,839</u>	<u>221,037</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	<u>172,949</u>	<u>226,412</u>	<u>204,356</u>	<u>603,717</u>	<u>-</u>
Liabilities					
Current liabilities					
Accounts payable	8,142	14,568	12,143	34,853	72,594
Accrued interest payable	24,806	10,518	11,630	46,954	-
Compensated absences	6,758	10,274	6,275	23,307	-
Customer deposits	4,312	-	-	4,312	-
Current portion of noncurrent liabilities	<u>192,277</u>	<u>130,117</u>	<u>275,791</u>	<u>598,185</u>	<u>-</u>
Total current liabilities	<u>236,295</u>	<u>165,477</u>	<u>305,839</u>	<u>707,611</u>	<u>72,594</u>
Noncurrent liabilities:					
Notes payable	-	-	118,099	118,099	-
Net pension liability	278,173	364,164	328,689	971,026	-
Bonds payable	<u>2,575,742</u>	<u>2,229,451</u>	<u>84,333</u>	<u>4,889,526</u>	<u>-</u>
Total noncurrent liabilities	<u>2,853,915</u>	<u>2,593,615</u>	<u>531,121</u>	<u>5,978,651</u>	<u>-</u>
Total liabilities	<u>3,090,210</u>	<u>2,759,092</u>	<u>836,960</u>	<u>6,686,262</u>	<u>72,594</u>
Deferred Inflows of Resources					
Deferred inflows related to pensions	<u>251,392</u>	<u>329,104</u>	<u>297,045</u>	<u>877,541</u>	<u>-</u>
Net Position					
Net investment in capital assets	2,166,500	7,769,519	2,369,000	12,305,019	-
Restricted for debt service	628,424	120,784	-	749,208	-
Restricted for closure/post closure	-	-	145,000	145,000	-
Unrestricted	<u>1,080,614</u>	<u>745,705</u>	<u>2,891,207</u>	<u>4,717,526</u>	<u>148,443</u>
Total net position	<u>\$ 3,875,538</u>	<u>\$ 8,636,008</u>	<u>\$ 5,405,207</u>	<u>\$ 17,916,753</u>	<u>\$ 148,443</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, 2022

	<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	\$ 1,340,630	\$ 1,220,332	\$ 1,767,009	\$ 4,327,971	\$ 1,015,257
Operating expenses					
Water purchases	567,230	-	-	567,230	-
Salaries and wages	83,386	332,126	291,040	706,552	-
Employee benefits	240,323	130,003	119,985	490,311	1,202,168
Services and supplies	316,598	433,843	240,628	991,069	-
Depreciation and amortization	138,038	544,653	353,041	1,035,732	-
Total operating expenses	<u>1,345,575</u>	<u>1,440,625</u>	<u>1,004,694</u>	<u>3,790,894</u>	<u>1,202,168</u>
Operating income (loss)	<u>(4,945)</u>	<u>(220,293)</u>	<u>762,315</u>	<u>537,077</u>	<u>(186,911)</u>
Nonoperating revenues (expenses)					
Interest income	49,145	365	1,216	50,726	-
Impact fees	25,159	12,851	-	38,010	-
Grant revenue	238,048	816,491	307,203	1,361,742	159,918
Miscellaneous income	13,831	7,764	24,917	46,512	-
Contributions from component unit for debt payments	10,584	-	-	10,584	-
Interest expense	(68,674)	(66,239)	(16,766)	(151,679)	-
Total nonoperating revenues (expenses)	<u>268,093</u>	<u>771,232</u>	<u>316,570</u>	<u>1,355,895</u>	<u>159,918</u>
Change in net position	263,148	550,939	1,078,885	1,892,972	(26,993)
Total net position, beginning	3,612,390	8,085,069	4,326,322	16,023,781	175,436
Total net position, end of year	<u>\$ 3,875,538</u>	<u>\$ 8,636,008</u>	<u>\$ 5,405,207</u>	<u>\$ 17,916,753</u>	<u>\$ 148,443</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, 2022

	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	\$ 1,384,294	\$ 1,262,298	\$ 1,758,171	\$ 4,404,763	\$ 1,015,257
Cash paid to suppliers	(870,814)	(445,036)	(232,625)	(1,548,475)	(1,202,655)
Cash paid to employees	(360,246)	(500,749)	(452,788)	(1,313,783)	-
Net cash flows from operating activities	<u>153,234</u>	<u>316,513</u>	<u>1,072,758</u>	<u>1,542,505</u>	<u>(187,398)</u>
Cash Flows From Noncapital Financing Activities:					
Net component unit receipts/(payments)	110,735	-	-	110,735	-
Cash received from miscellaneous sources	13,831	7,766	24,917	46,514	-
Net cash flows from noncapital financing activities	<u>124,566</u>	<u>7,766</u>	<u>24,917</u>	<u>157,249</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:					
Impact fees	25,159	12,851	-	38,010	-
Grant revenue	238,048	816,491	307,203	1,361,742	159,918
Principal paid on capital debt	(186,187)	(125,124)	(77,334)	(388,645)	-
Interest paid on capital debt	(68,674)	(66,239)	(16,766)	(151,679)	-
Acquisition and construction of capital assets	(9,526)	(9,524)	(9,525)	(28,575)	-
Net cash flows from capital and related financing activities	<u>(1,180)</u>	<u>628,455</u>	<u>203,578</u>	<u>830,853</u>	<u>159,918</u>
Cash Flows From Investing Activities:					
Interest income	49,145	365	1,216	50,726	-
Net change in cash and cash equivalents	325,765	953,099	1,302,469	2,581,333	(27,480)
Cash and investments, including restricted cash, beginning of year as restated	<u>1,773,023</u>	<u>268,607</u>	<u>2,157,615</u>	<u>4,199,245</u>	<u>178,162</u>
Cash and Cash Equivalents, Including Restricted Cash , End of Year	<u>\$ 2,098,788</u>	<u>\$ 1,221,706</u>	<u>\$ 3,460,084</u>	<u>\$ 6,780,578</u>	<u>\$ 150,682</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (4,945)	\$ (220,293)	\$ 762,315	\$ 537,077	\$ (186,911)
Adjustments to reconcile net income (loss) to net cash from operating activities					
Depreciation/amortization	138,038	544,653	353,041	1,035,732	-
Pension expense	(612)	7,221	2,091	8,700	-
Employer pension contributions	(34,565)	(45,250)	(40,842)	(120,657)	-
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	43,064	41,966	(8,838)	76,192	-
(Increase) decrease in inventory	7,631	-	-	7,631	-
(Increase) decrease in prepaid expenses	20	-	(552)	(532)	(3,351)
Increase (decrease) in accounts payable	5,363	(11,193)	8,555	2,725	2,864
Increase (decrease) in due from deposits	600	-	-	600	-
Increase (decrease) in compensated absences	(1,360)	(591)	(3,012)	(4,963)	-
Net cash flows from operating activities	<u>\$ 153,234</u>	<u>\$ 316,513</u>	<u>\$ 1,072,758</u>	<u>\$ 1,542,505</u>	<u>\$ (187,398)</u>

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

Basis of presentation – fund financial statements

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

The government reports the following major governmental funds:

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

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

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

The government reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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, 2022

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 principal and interest expenditures on general long-term debt, including lease liabilities as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contract giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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, 2022

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 are tangible and intangible 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 (except for intangible right-to-use assets, the measurement of which is discussed in note 8). 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 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.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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 two types of items that qualify for reporting in this category which are pension and lease related items reported on the government-wide financial statements. See footnote 17 and 8 for more information, respectively. 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 available. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

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, 2022

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.

Leases

The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term.

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

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.

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.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

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.

Comparative Data

Comparative data shown for the prior year has been extracted from the 2020-2021 financial statements and reclassified where necessary. It has been provided to add comparability but is not considered full disclosure of transactions for 2020-2021. Such information can only be obtained by referring to the audited financial statements for that year.

New Pronouncements

For the year ended June 30, 2022, the City implemented the provisions of GASB Statement No. 87, Leases. GASB Statement No. 87 improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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, 2022

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, 2022

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	11,306,380	(836,451)
Investments:		
Nevada local government investment pool	1,520,947	1,396,053
Total deposits and investments	\$ 12,828,903	\$ 559,602
Cash and cash equivalents	\$ 11,620,755	\$ 559,602
Restricted cash	1,208,148	-
	\$ 12,828,903	\$ 559,602

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, 2022, \$0 of the primary government and component unit's combined bank balance of \$10,655,181 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, 2022

NOTE 4. Cash and Investments, Continued

As of June 30, 2022 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	\$ 1,520,947	\$ 1,396,053	N/A	125
Total Fair Value	<u>\$ 1,520,947</u>	<u>\$ 1,396,053</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, 2022:

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

	Primary Government	Component Unit
Level 1 inputs	\$ 449,592	\$ 412,673
Level 2 inputs	1,071,355	983,380
Total LGIP investment	<u>\$ 1,520,947</u>	<u>\$ 1,396,053</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, 2022

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, 2022:

Restricted cash footnote

Medium Term Sales Tax Revenue Bond Reserves	\$ 313,500
Closure / post closure trust funds	145,000
Waste Water Treatment Plant Revenue Bond Reserves	120,784
Water Revenue Bonds, Series 2015 Bond Reserves	21,168
Water Rev Bonds Series 2015 - Asset Replacement	143,170
AB198 Capital Replacement Projects Fund	464,086
Unutilized Regional Transportation Commission Funds	440
Total restricted cash - primary government	\$ 1,208,148

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, 2022 were as follows:

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 6. Capital Assets

Governmental capital asset activity for the year ended June 30, 2022 was as follows:

Governmental Activities:	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Capital assets, not being depreciated:				
Land	\$ 1,416,475	\$ -	\$ -	\$ 1,416,475
Construction in progress	357,046	1,950,927	(320,155)	1,987,818
Total capital assets, not being depreciated	<u>1,773,521</u>	<u>1,950,927</u>	<u>(320,155)</u>	<u>3,404,293</u>
Capital assets, being depreciated:				
Buildings	11,215,109	-	-	11,215,109
Other improvements	14,315,356	-	-	14,315,356
Machinery and equipment	3,205,604	238,117	-	3,443,721
Total capital assets, being depreciated	<u>28,736,069</u>	<u>238,117</u>	<u>-</u>	<u>28,974,186</u>
Less accumulated depreciation for:				
Buildings	(3,798,936)	(278,673)	-	(4,077,609)
Other improvements	(4,939,866)	(512,289)	-	(5,452,155)
Machinery and equipment	(2,857,142)	(127,508)	-	(2,984,650)
Total accumulated depreciation	<u>(11,595,944)</u>	<u>(918,470)</u>	<u>-</u>	<u>(12,514,414)</u>
Total capital assets, being depreciated, net	<u>17,140,125</u>	<u>(680,353)</u>	<u>-</u>	<u>16,459,772</u>
Governmental activities capital assets, net	<u>\$ 18,913,646</u>	<u>\$ 1,270,574</u>	<u>\$ (320,155)</u>	<u>\$ 19,864,065</u>

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

Governmental Activities:	
General government	\$ 530,503
Judicial	9,861
Public safety	95,575
Public works	2,023
Health and sanitation	25,339
Culture and recreation	96,371
Community support	1,126
Streets and highways	157,672
Total depreciation expense - governmental activities	<u>\$ 918,470</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 6. Capital Assets, Continued

Business-type capital asset activity for the year ended June 30, 2022 was as follows:

Business-Type Activities:	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
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	3,986,869	-	-	3,986,869
Other improvements	6,215,836	-	-	6,215,836
Machinery and equipment	4,656,948	28,575	-	4,685,523
Utility systems	18,053,021	-	-	18,053,021
Total capital assets, being depreciated	<u>32,912,674</u>	<u>28,575</u>	<u>-</u>	<u>32,941,249</u>
Less accumulated depreciation for:				
Buildings	(738,660)	(99,843)	-	(838,503)
Other improvements	(4,078,303)	(221,739)	-	(4,300,042)
Machinery and equipment	(3,785,076)	(177,551)	-	(3,962,627)
Utility systems	(7,639,379)	(536,598)	-	(8,175,977)
Total accumulated depreciation	<u>(16,241,418)</u>	<u>(1,035,731)</u>	<u>-</u>	<u>(17,277,149)</u>
Total capital assets, being depreciated, net	<u>16,671,256</u>	<u>(1,007,156)</u>	<u>-</u>	<u>15,664,100</u>
Business-type activities capital asset, net	<u>\$ 16,782,256</u>	<u>\$ (1,007,156)</u>	<u>\$ -</u>	<u>\$ 15,775,100</u>

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

Business-Type Activities:	
Water Fund	\$ 138,038
Sewer Fund	544,652
Combined Garbage / Compost Facility Fund	353,041
Total depreciation expense - business-type activities	<u>\$ 1,035,731</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 6. Capital Assets, Continued

Component unit capital asset activity for the year ended June 30, 2022 was as follows:

Component Unit - Johnson Springs	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
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	9,525	-	580,779
Utility system	5,316,197	-	-	5,316,197
Total capital assets, being depreciated	<u>13,136,019</u>	<u>9,525</u>	<u>-</u>	<u>13,145,544</u>
Less accumulated depreciation for:				
Buildings	(4,826,857)	(217,145)	-	(5,044,002)
Other improvements	(198,161)	(19,413)	-	(217,574)
Machinery and equipment	(433,640)	(22,732)	-	(456,372)
Water utility system	(2,155,902)	(133,213)	-	(2,289,115)
Total accumulated depreciation	<u>(7,614,560)</u>	<u>(392,503)</u>	<u>-</u>	<u>(8,007,063)</u>
Total capital assets, being depreciated, net	<u>5,521,459</u>	<u>(382,978)</u>	<u>-</u>	<u>5,138,481</u>
Johnson Springs component unit fund activities capital assets, net	<u>\$ 5,539,459</u>	<u>\$ (382,978)</u>	<u>\$ -</u>	<u>\$ 5,156,481</u>

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 7. Long-Term Liabilities

The following is a summary of long-term liabilities for the year ended June 30, 2022:

Long-Term Debt	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2021	Additions	Retirements	June 30, 2022	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	\$ 3,914,449	\$ -	\$ (145,119)	\$ 3,769,330	\$ 151,597
General Obligation Medium-Term Bonds, Series 2015	7/14/2015	2.26%	2,200,000	1,109,000	-	(241,000)	868,000	250,000
Consolidated Tax Revenue Interim Debenture Bond, Series 2022	3/30/2022	3.48%	8,906,800	-	855,253	-	855,253	-
Total direct placement bonds payable				<u>5,023,449</u>	<u>855,253</u>	<u>(386,119)</u>	<u>5,492,583</u>	<u>401,597</u>
Total Bonds Payable				<u>5,023,449</u>		<u>(386,119)</u>	<u>5,492,583</u>	<u>401,597</u>
Other Liabilities								
Compensated absences				309,930	279,340	(243,103)	346,167	244,000
Net pension liability				6,564,675	-	(2,219,044)	4,345,631	-
Total governmental long-term liabilities				<u>\$ 11,898,054</u>	<u>\$ 1,134,593</u>	<u>\$ (2,848,266)</u>	<u>\$ 10,184,381</u>	<u>\$ 645,597</u>

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, 2022

NOTE 7. Long-Term Liabilities, continued

<u>Long-Term Debt</u>	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2021	Additions	Retirements	June 30, 2022	Current Portion
Business-Type Activities								
Public Offerings Bonds:								
Waste Water Treatment Plant Revenue Bond	6/1/2012	2.75%	2,637,000	2,242,024	-	(47,789)	2,194,235	49,117
Total business-type public offering bonds payable				2,242,024	-	(47,789)	2,194,235	49,117
Direct Placement Bonds Payable:								
General Obligation Limited Tax Water Bonds, Series 2019	8/15/2019	2.16%	2,173,729	2,027,196	-	(96,457)	1,930,739	98,552
General Obligation Limited Tax Medium-Term, Series 2014	6/17/2017	2.43%	2,100,000	728,000	-	(232,000)	496,000	243,000
Water Revenue Bonds, Series 2015	10/8/2015	2.63%	747,000	684,343	-	(12,397)	671,946	12,725
Total business-type direct placement bonds payable				3,439,539	-	(340,854)	3,098,685	354,277
Total business-type long-term debt				5,681,563	-	(388,643)	5,292,920	403,394
Direct Placement Notes payable:								
2019 Hook Lift - Compost/Garbage	9/19/2019	2.36%	464,990	330,788	-	(91,756)	239,032	120,933
2018 Caterpillar Wheel Loader Compost	1/18/2018	4.20%	231,738	106,081	-	(32,223)	73,858	73,858
Total notes payable				436,869	-	(123,979)	312,890	194,791
Other Liabilities								
Net pension liability				1,420,026	-	(449,001)	971,025	-
Compensated absences				28,269	17,212	(22,174)	23,307	23,307
Total business-type long-term liabilities				\$ 7,566,727	\$ 17,212	\$ (983,797)	\$ 6,600,142	\$ 621,492
Component Unit								
Johnson Springs								
Other Liabilities								
Net pension liability				121,309	-	(47,961)	73,348	-
Compensated absences				9,848	7,428	(7,132)	10,144	10,144
Total Component Unit long-term liabilities				\$ 131,157	\$ 7,428	\$ (55,093)	\$ 83,492	\$ 10,144

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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, 2022:

Year Ending June 30,	Governmental Activities		Business-Type Activities					
	Direct Placement Bonds		Public Offering Bonds		Direct Placement Bonds		Direct Placement Notes	
	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest
2023	\$ 1,256,850	\$ 178,695	\$ 49,117	\$ 59,847	354,277	70,742	194,791	8,192
2024	356,938	167,280	50,323	58,641	366,708	62,406	96,164	2,860
2025	371,414	155,228	51,880	57,084	116,287	53,680	21,935	577
2026	385,798	143,109	53,321	55,643	118,876	51,091	-	-
2027	180,511	132,989	54,803	54,161	121,524	48,443	-	-
2028-2032	1,030,120	537,289	297,437	247,384	649,367	200,467	-	-
2033-2037	1,261,150	280,225	341,293	203,527	725,072	124,762	-	-
2038-2042	649,802	30,539	391,438	153,382	304,420	56,370	-	-
2043-2047	-	-	448,950	97,093	113,159	38,041	-	-
2048-2052	-	-	455,673	30,151	128,974	22,226	-	-
2053-2057	-	-	-	-	100,021	4,958	-	-
Total Principal	<u>\$ 5,492,583</u>	<u>\$ 1,625,354</u>	<u>\$ 2,194,235</u>	<u>\$ 1,016,913</u>	<u>\$ 3,098,685</u>	<u>\$ 733,186</u>	<u>\$ 312,890</u>	<u>\$ 11,629</u>

The City’s outstanding bonds from direct placements of \$8,591,268 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, 2022.

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 8. Leases

Lease Receivable

During the current fiscal year, the City began leasing industrial land to a third party. The lease is for three years and the City will receive monthly payments of \$2,406. The City recognized \$18,022 in lease revenue and \$3,634 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$59,276. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$59,276.

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CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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.

	06/30/22
Operating revenues	\$ 716,382
Depreciation and amortization	(392,503)
Operating expenses	(444,631)
Nonoperating revenues and (expenses)	159,166
Beginning net position	3,678,640
Ending net position	3,717,054
Total assets	5,800,226
Total deferred outflows	45,602
Due to primary government	1,949,463
Bonds and other long term debt obligations	73,348
Total deferred inflows	66,286
Net Position	
Net investment in capital assets	3,207,018
Unrestricted	510,036
Total Net Position	\$ 3,717,054
<u>Condensed Statement of Cash Flows</u>	
Net cash flows from:	
Operating activities	\$ 227,629
Noncapital financing activities	103,580
Capital and related financing activities	(58,112)
Investing activities	4,022
Net Increase (decrease)	\$ 277,119
Beginning cash and cash equivalents	282,483
Ending cash and cash equivalents	\$ 559,602

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 10. Interfund Receivables, Payables, and Transfers

As of June 30, 2022, 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	1,927,045	-
Component Unit		
Interest payable	-	22,418
Debt repayment payable	-	1,927,045
Total	\$ 1,949,463	\$ 1,949,463

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, 2022 are as follows:

	Transfers out:		
	General	Non-major Ad Valorem Capital Projects	Total Transfers in
Nonmajor Governmental Funds			
Community Service & Local School Fund	\$ 29,211	\$ -	\$ 29,211
Welcome Center Fund	154,000	-	154,000
Wendover Will Landmark Fund	18,100	-	18,100
Capital Projects Fund	1,370,692	61,308	1,432,000
Total transfers out	\$ 1,572,003	\$ 61,308	\$ 1,633,311

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

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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 GASB 97, 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, 2022 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, 2022

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, 2022, the general obligation debt limit and available borrowing capacity of the City of West Wendover was \$43,080,520.

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 \$673,439 as of June 30, 2022. The City had two cells in operation during fiscal year 2022. 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 2022. The City maintained an insurance policy with a face amount of \$529,422 at June 30, 2022. Additional financial assurance for closure and post-closure costs is accomplished by the City restricting \$145,000 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, 2022

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, 2022. 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
2022	\$ -	\$ 840,018	\$ 840,018	\$ -
2021	\$ -	\$ 671,729	\$ 671,729	\$ -
2020	\$ -	\$ 418,723	\$ 418,723	\$ -

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, 2022

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, 2022

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, 2021, and 2022, the Statutory Employer/employee matching rate was 15.25% and 15.50% for Regular and 22.00% and 22.75% for Police/Fire.

For the fiscal year ended June 30, 2021, and 2022, the Employer-Pay Contribution (EPC) rate was 29.25% and 29.75% for Regular and 42.50% and 44.00% for Police/Fire.

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

Year Ended June 30,	Regular Fund	Police/Fire Fund
2020	249,082	361,914
2021	252,184	366,421
2022	270,157	399,560

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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, 2021:

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, 2021, PERS' long-term inflation assumption was 2.50%.

Pension liability

Net pension liability

At June 30, 2022, the City reported a liability of \$5,389,734 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021. The City's proportion measured as of June 30, 2021, was 0.05910 percent, which was a increase of 0.00090 percent from its proportion measured as of June 30, 2020 .

Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2022, 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 (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of Net pension (asset) / liability	\$ 10,730,788	\$ 5,389,734	\$ 983,802

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

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, 2021, 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, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. 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, 2021.

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

For the year ended June 30, 2022, the City recognized pension expense for PERS of \$(165,809). At June 30, 2022, 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, 2022

NOTE 17. Retirement and Pension Plans, Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 597,019	\$ 37,931
Changes in assumptions	1,789,484	-
Net difference between projected and actual earnings on pension plan investments	-	4,397,851
Subtotal	2,386,503	4,435,782
Changes in proportion and differences between contributions and proportional share of contributions	294,747	435,057
Contributions subsequent to the measurement date	669,716	-
Total	\$ 3,350,966	\$ 4,870,839
Governmental activities	\$ 2,701,647	\$ 3,927,012
Business-type activities	603,717	877,541
Component unit	45,602	66,286
	\$ 3,350,966	\$ 4,870,839

Average expected remaining service lives 6.14 years

The \$669,716 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
2023	\$ (612,173)
2024	(602,143)
2025	(624,608)
2026	(669,464)
2027	402,792
2028	56,317
Thereafter	-

CITY OF WEST WENDOVER, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 18. Prior Period Adjustment

A prior period adjustment was recorded in the General Fund for marijuana tax revenues received in 2022 which were actually 2021 revenues. Beginning fund balance in the General Fund was increased by \$77,922.

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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Property taxes					
Ad valorem	\$ 1,323,176	\$ 1,323,176	\$ 1,335,220	\$ 12,044	\$ 1,301,208
Personal property	236,987	236,987	256,913	19,926	254,551
Central assessments	19,749	19,749	22,848	3,099	22,476
Total property taxes	<u>1,579,912</u>	<u>1,579,912</u>	<u>1,614,981</u>	<u>35,069</u>	<u>1,578,235</u>
Licenses and permits					
Liquor licenses	150	150	240	90	240
City gaming licenses	207,000	207,000	212,598	5,598	206,304
Animal licenses	685	685	936	251	730
Business licenses	16,800	16,800	17,500	700	17,325
Right of way toll	250,300	250,300	256,628	6,328	255,582
Building permits	22,000	125,000	109,846	(15,154)	20,501
Special permits and fees	832,700	1,001,500	944,032	(57,468)	856,445
Franchise fees	367,821	367,821	393,399	25,578	380,431
Carlines taxes	100	100	86	(14)	101
Total licenses and permits	<u>1,697,556</u>	<u>1,969,356</u>	<u>1,935,265</u>	<u>(34,091)</u>	<u>1,737,659</u>
Intergovernmental revenue					
State consolidated revenue	3,223,610	3,223,610	3,431,645	208,035	3,174,768
1.75 cent gas tax	31,380	31,380	31,561	181	34,748
2.35 cent gas tax	49,480	49,480	48,116	(1,364)	49,167
County road tax	26,060	26,060	26,487	427	25,240
County transportation funds	187,000	187,000	187,000	-	180,000
County gaming tax	426,971	394,000	438,278	44,278	513,765
Federal/state grants	208,417	830,283	841,314	11,031	125,748
Infrastructure tax	75,000	75,000	75,591	591	75,243
Marijuana revenue disbursement	5,363	4,560	4,560	-	5,363
Reimbursement from Elko County	179,140	179,140	179,125	(15)	197,367
Total intergovernmental revenue	<u>4,412,421</u>	<u>5,000,513</u>	<u>5,263,677</u>	<u>263,164</u>	<u>4,381,409</u>
Charges for services					
Special police services	1,500	1,500	926	(574)	1,360
Work cards	19,000	19,000	15,629	(3,371)	24,339
Special fire protection services	10,000	10,000	9,873	(127)	14,625
Dispatch fees	7,584	7,584	7,584	-	7,584
Animal shelter fees	1,000	1,000	2,876	1,876	1,394
Pipeline administrative services	1,900	1,900	-	(1,900)	1,900
Miscellaneous	15,506	15,506	11,558	(3,948)	55,206
Total general	<u>56,490</u>	<u>56,490</u>	<u>48,446</u>	<u>(8,044)</u>	<u>106,408</u>
Fines and forfeitures					
Fines and fees	52,550	52,550	49,720	(2,830)	52,097
Total fines and forfeitures	<u>52,550</u>	<u>52,550</u>	<u>49,720</u>	<u>(2,830)</u>	<u>52,097</u>
Miscellaneous					
Interest	3,000	3,000	5,700	2,700	2,627
Donations	166,000	166,000	173,100	7,100	166,000
Rents and royalties	29,500	29,500	27,920	(1,580)	19,698
Miscellaneous	6,000	6,000	(1,450)	(7,450)	9,983
Total miscellaneous	<u>204,500</u>	<u>204,500</u>	<u>205,270</u>	<u>770</u>	<u>198,308</u>
Total revenues	<u>8,003,429</u>	<u>8,863,321</u>	<u>9,117,359</u>	<u>254,038</u>	<u>8,054,116</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021), Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Expenditures					
General government					
Administration and finance					
Salaries and wages	453,621	524,091	474,327	49,764	456,885
Employee benefits	221,568	253,022	218,751	34,271	293,049
Services and supplies	448,460	554,700	477,003	77,697	437,039
Total administration and finance	<u>1,123,649</u>	<u>1,331,813</u>	<u>1,170,081</u>	<u>161,732</u>	<u>1,186,973</u>
Elections					
Services and supplies	-	-	-	-	919
Total general government	<u>1,123,649</u>	<u>1,331,813</u>	<u>1,170,081</u>	<u>161,732</u>	<u>1,187,892</u>
Judicial					
Municipal court					
Salaries and wages	246,462	237,680	233,909	3,771	226,397
Employee benefits	145,294	133,994	123,750	10,244	121,809
Services and supplies	73,450	64,145	60,303	3,842	42,985
Capital outlay	-	64,762	64,762	-	-
Total judicial	<u>465,206</u>	<u>500,581</u>	<u>482,724</u>	<u>17,857</u>	<u>391,191</u>
Public safety					
Police					
Salaries and wages	1,368,215	1,229,358	1,236,980	(7,622)	1,159,065
Employee benefits	860,209	796,651	764,521	32,130	711,738
Services and supplies	398,800	318,600	300,112	18,488	268,834
Capital outlay	27,000	157,500	18,919	138,581	149,804
Total police department	<u>2,654,224</u>	<u>2,502,109</u>	<u>2,320,532</u>	<u>181,577</u>	<u>2,289,441</u>
Fire					
Salaries and wages	443,233	443,233	420,742	22,491	424,929
Employee benefits	262,678	270,961	249,232	21,729	249,194
Services and supplies	117,800	128,800	114,324	14,476	62,460
Total fire department	<u>823,711</u>	<u>842,994</u>	<u>784,298</u>	<u>58,696</u>	<u>736,583</u>
Dispatch center					
Salaries and wages	341,029	298,499	300,138	(1,639)	294,573
Employee benefits	187,727	189,398	166,281	23,117	160,053
Services and supplies	46,000	34,100	28,466	5,634	32,400
Total dispatch center	<u>574,756</u>	<u>521,997</u>	<u>494,885</u>	<u>27,112</u>	<u>487,026</u>
Total public safety	<u>4,052,691</u>	<u>3,867,100</u>	<u>3,599,715</u>	<u>267,385</u>	<u>3,513,050</u>
Public works					
Paved streets					
Salaries and wages	64,049	39,631	35,186	4,445	16,783
Employee benefits	33,739	33,739	17,978	15,761	8,064
Services and supplies	167,300	164,000	156,016	7,984	291,180
Total paved streets	<u>265,088</u>	<u>237,370</u>	<u>209,180</u>	<u>28,190</u>	<u>316,027</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021), Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
General					
Salaries and wages	230,577	316,824	214,480	102,344	235,389
Employee benefits	121,461	180,890	113,187	67,703	132,572
Services and supplies	31,000	39,450	34,548	4,902	26,089
Total general	<u>383,038</u>	<u>537,164</u>	<u>362,215</u>	<u>174,949</u>	<u>394,050</u>
Total public works	<u>648,126</u>	<u>774,534</u>	<u>571,395</u>	<u>203,139</u>	<u>710,077</u>
Community development					
Salaries and wages	190,723	143,834	143,992	(158)	140,607
Employee benefits	86,204	71,891	64,874	7,017	63,209
Services and supplies	164,200	127,700	85,734	41,966	71,812
Capital outlay	50,000	-	-	-	-
Total community development	<u>491,127</u>	<u>343,425</u>	<u>294,600</u>	<u>48,825</u>	<u>275,628</u>
Health					
Public health services					
Services and supplies	<u>34,400</u>	<u>19,500</u>	<u>10,269</u>	<u>9,231</u>	<u>42,767</u>
Animal control					
Salaries and wages	64,136	66,546	64,249	2,297	63,523
Employee benefits	37,645	38,495	32,668	5,827	31,858
Services and supplies	23,200	26,000	19,013	6,987	18,870
Total animal control	<u>124,981</u>	<u>131,041</u>	<u>115,930</u>	<u>24,342</u>	<u>114,251</u>
Total health	<u>159,381</u>	<u>150,541</u>	<u>126,199</u>	<u>33,573</u>	<u>157,018</u>
Culture and recreation					
Library service					
Services and supplies	<u>17,600</u>	<u>19,100</u>	<u>15,522</u>	<u>3,578</u>	<u>13,598</u>
Total culture and recreation	<u>17,600</u>	<u>19,100</u>	<u>15,522</u>	<u>3,578</u>	<u>13,598</u>
Community support					
Miscellaneous					
Services and supplies	<u>31,000</u>	<u>31,000</u>	<u>39,148</u>	<u>(8,148)</u>	<u>17,019</u>
Total community support	<u>31,000</u>	<u>31,000</u>	<u>39,148</u>	<u>(8,148)</u>	<u>17,019</u>
Debt services	<u>55,853</u>	<u>55,853</u>	<u>55,853</u>	<u>-</u>	<u>56,062</u>
Total expenditures	<u>7,044,633</u>	<u>7,073,947</u>	<u>6,355,237</u>	<u>727,941</u>	<u>6,321,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>958,796</u>	<u>1,789,374</u>	<u>2,762,122</u>	<u>(972,748)</u>	<u>1,732,581</u>
Other financing sources (uses)					
Transfers out	<u>(1,860,909)</u>	<u>(1,572,003)</u>	<u>(1,572,003)</u>	<u>-</u>	<u>(695,940)</u>
Total other financing sources and uses	<u>(1,860,909)</u>	<u>(1,572,003)</u>	<u>(1,572,003)</u>	<u>-</u>	<u>(695,940)</u>
Net change in fund balance	<u>(902,113)</u>	<u>217,371</u>	<u>1,190,119</u>	<u>972,748</u>	<u>1,036,641</u>
Fund balance, beginning of year	3,743,833	3,743,833	3,743,833	-	2,707,192
Restatement adjustment	-	-	77,922	77,922	-
Fund balance, end of year	<u>\$ 2,841,720</u>	<u>\$ 3,961,204</u>	<u>\$ 5,011,874</u>	<u>\$ 1,050,670</u>	<u>\$ 3,743,833</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Taxes					
Room taxes	\$ 1,530,700	\$ 1,610,000	\$ 1,967,604	\$ 357,604	\$ 1,602,940
Total taxes	<u>1,530,700</u>	<u>1,610,000</u>	<u>1,967,604</u>	<u>357,604</u>	<u>1,602,940</u>
Intergovernmental					
Grant revenue	-	503,730	503,730	-	-
Total intergovernmental	<u>-</u>	<u>503,730</u>	<u>503,730</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,530,700</u>	<u>2,113,730</u>	<u>2,471,334</u>	<u>357,604</u>	<u>1,602,940</u>
Expenditures					
Culture and recreation					
Room tax distribution	1,530,400	2,050,763	2,374,313	(323,550)	1,557,451
Total culture and recreation	<u>1,530,400</u>	<u>2,050,763</u>	<u>2,374,313</u>	<u>(323,550)</u>	<u>1,557,451</u>
Total expenditures	<u>1,530,400</u>	<u>2,050,763</u>	<u>2,374,313</u>	<u>(323,550)</u>	<u>1,557,451</u>
Net change in fund balance	300	62,967	97,021	34,054	45,489
Fund balance, beginning of year	163,603	163,603	163,603	-	118,114
Fund balance, end of year	<u>\$ 163,903</u>	<u>\$ 226,570</u>	<u>\$ 260,624</u>	<u>\$ 34,054</u>	<u>\$ 163,603</u>

CITY OF WEST WENDOVER, NEVADA
Schedule of the Proportionate Share of the Net Pension Liability
Public Employees' Retirement System of Nevada
June 30, 2022
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)	0.059100%	0.056610%	0.062480%	0.062300%	0.063600%	0.059820%	0.068384%
Proportionate share of the net pension liability (asset)	\$ 5,389,734	\$ 8,106,010	\$ 7,719,816	\$ 8,521,101	\$ 8,286,307	\$ 8,558,081	\$ 6,854,700
Covered payroll	\$ 3,650,188	\$ 3,604,289	\$ 3,394,178	\$ 3,327,353	\$ 3,429,997	\$ 3,355,482	\$ 2,961,477
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	147.66%	224.90%	227.44%	256.09%	241.58%	255.05%	231.46%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	77.0%	76.5%	75.2%	74.4%	72.2%	75.1%

Note: The District 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, 2022
Last 10 Fiscal Years

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Contractually required contribution	\$ 669,716	\$ 618,605	\$ 610,996	\$ 545,004	\$ 579,653	\$ 559,234	\$ 539,193	\$ 461,652	\$ 483,635	
Contributions in relation to the contractually required contribution	\$ (669,716)	\$ (618,605)	\$ (610,996)	\$ (545,004)	\$ (579,653)	\$ (559,234)	\$ (539,193)	\$ (461,652)	\$ (483,635)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 3,853,857	\$ 3,650,188	\$ 3,604,289	\$ 3,394,178	\$ 3,327,353	\$ 3,429,997	\$ 3,355,482	\$ 2,961,477	\$ 3,113,721	
Contributions as a percentage of covered-employee payroll	17.38%	16.95%	16.95%	16.06%	17.42%	16.30%	16.07%	15.59%	15.53%	

Note: The entity implemented GASB 68 in fiscal year 2015. Prior year information is not available.

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SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

The **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.

The **Community Services & Local School Fund** is used to account for certain programs and activities related to the West Wendover Schools and further provide funds for other local programs as outlined in Resolution 2020-03.

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

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

CITY OF WEST WENDOVER, NEVADA
Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Intergovernmental					
Federal grants	\$ 1,695,425	\$ 1,679,971	\$ 205,511	\$ (1,474,460)	\$ 22,528
Total intergovernmental	<u>1,695,425</u>	<u>1,679,971</u>	<u>205,511</u>	<u>(1,474,460)</u>	<u>22,528</u>
Miscellaneous					
Interest income	500	55	124	69	160
Donations	-	200,000	-	(200,000)	25,000
Miscellaneous	2,500	32,507	30,007	(2,500)	-
Sale of capital assets	-	42,300	42,300	-	253,280
Total miscellaneous	<u>3,000</u>	<u>274,862</u>	<u>72,431</u>	<u>(202,431)</u>	<u>278,440</u>
Total revenues	<u>1,698,425</u>	<u>1,954,833</u>	<u>277,942</u>	<u>(1,676,891)</u>	<u>300,968</u>
Expenditures					
General government					
Capital outlay	14,640,605	14,682,535	1,844,895	12,837,640	256,959
Total general government	<u>14,640,605</u>	<u>14,682,535</u>	<u>1,844,895</u>	<u>12,837,640</u>	<u>256,959</u>
Debt service					
Debt service - principal	332,119	332,119	332,119	-	318,918
Debt service - interest	188,867	188,867	188,868	(1)	199,216
Total debt service	<u>520,986</u>	<u>520,986</u>	<u>520,987</u>	<u>(1)</u>	<u>518,134</u>
Total expenditures	<u>15,161,591</u>	<u>15,203,521</u>	<u>2,365,882</u>	<u>12,837,639</u>	<u>775,093</u>
Excess of revenues over (under) expenditures	<u>(13,463,166)</u>	<u>(13,248,688)</u>	<u>(2,087,940)</u>	<u>11,160,748</u>	<u>(474,125)</u>
Other financing sources (uses)					
Debt proceeds	11,846,800	11,796,800	855,253	(10,941,547)	-
Transfers in	1,616,366	1,432,000	1,432,000	-	543,305
Total other financing sources	<u>13,463,166</u>	<u>13,228,800</u>	<u>2,287,253</u>	<u>(10,941,547)</u>	<u>543,305</u>
Net change in fund balance	-	(19,888)	199,313	219,201	69,180
Fund balance, beginning of year	<u>383,961</u>	<u>383,961</u>	<u>383,961</u>	<u>-</u>	<u>314,781</u>
Fund balance, end of year	<u>\$ 383,961</u>	<u>\$ 364,073</u>	<u>\$ 583,274</u>	<u>\$ 219,201</u>	<u>\$ 383,961</u>

CITY OF WEST WENDOVER, NEVADA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue								Capital Project		Total
	Seizure Forfeiture Fund	Court Administrative Assessment Fund	Welcome Center Fund	Wendover Will Landmark Fund	Community Services and Local School Fund	Grant Fund	Ad Valorem Capital Projects Fund	Nonmajor Governmental Funds			
Assets											
Cash and investments	\$ 22,960	\$ 70,745	\$ 30,035	\$ 17,896	\$ 10	\$ -	\$ 30,231	\$ 171,877			
Due from other governments	-	-	-	-	-	-	23,893	23,893			
Inventory	-	-	1,149	-	-	-	-	1,149			
Restricted cash	-	-	-	-	-	-	-	-			
Total assets	<u>\$ 22,960</u>	<u>\$ 70,745</u>	<u>\$ 31,184</u>	<u>\$ 17,896</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 54,124</u>	<u>\$ 196,919</u>			
Liabilities											
Accounts payable	\$ 19,173	\$ 883	\$ 239	\$ 184	\$ -	\$ -	\$ -	\$ 20,479			
Total liabilities	<u>\$ 19,173</u>	<u>\$ 883</u>	<u>\$ 239</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,479</u>			
Fund Balances											
Nonspendable	-	-	1,149	-	-	-	-	1,149			
Restricted	3,787	69,862	29,796	-	-	-	54,124	157,569			
Committed	-	-	-	17,712	10	-	-	17,722			
Total fund balances	<u>\$ 3,787</u>	<u>\$ 69,862</u>	<u>\$ 30,945</u>	<u>\$ 17,712</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 54,124</u>	<u>\$ 176,440</u>			
Total liabilities and fund balances	<u>\$ 22,960</u>	<u>\$ 70,745</u>	<u>\$ 31,184</u>	<u>\$ 17,896</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 54,124</u>	<u>\$ 196,919</u>			

CITY OF WEST WENDOVER, NEVADA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue							Capital Project	
	Seizure Forfeiture Fund	Court Administrative Assessment Fund	Welcome Center Fund	Wendover Will Landmark Fund	Community Services and Local School Fund	Grant Fund	Ad Valorem Capital Projects Fund	Total Nonmajor Governmental Funds	
Revenues									
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,564	\$ 59,564	
Intergovernmental	-	2,152	120,012	4,803	-	-	11,308	138,275	
Charges for services	-	5,733	-	-	-	-	-	5,733	
Miscellaneous	-	28	1,860	437	-	-	-	2,325	
Total revenues	-	7,913	121,872	5,240	-	-	70,872	205,897	
Expenditures									
Judicial	-	1,930	-	-	-	-	-	1,930	
Community support	-	-	262,557	20,078	29,201	-	-	311,836	
Total expenditures	-	1,930	262,557	20,078	29,201	-	-	313,766	
Excess (deficiency) of revenues over (under) expenditures	-	5,983	(140,685)	(14,838)	(29,201)	-	70,872	(107,869)	
Other financing sources (uses)									
Transfers in	-	-	154,000	18,100	29,211	-	-	201,311	
Transfers out	-	-	-	-	-	-	(61,308)	(61,308)	
Total other financing sources (uses)	-	-	154,000	18,100	29,211	-	(61,308)	140,003	
Net change in fund balances	-	5,983	13,315	3,262	10	-	9,564	32,134	
Fund balances, beginning of year	3,787	63,879	17,630	14,450	-	-	44,560	144,306	
Fund balances, end of year	\$ 3,787	\$ 69,862	\$ 30,945	\$ 17,712	\$ 10	\$ -	\$ 54,124	\$ 176,440	

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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-	-
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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Charges for services					
Court assessments	\$ 8,500	\$ 5,000	\$ 5,733	\$ 733	\$ 6,900
Total charges for services	<u>8,500</u>	<u>5,000</u>	<u>5,733</u>	<u>733</u>	<u>6,900</u>
Intergovernmental					
Grant revenue	-	2,152	2,152	-	-
Total intergovernmental	<u>-</u>	<u>2,152</u>	<u>2,152</u>	<u>-</u>	<u>-</u>
Miscellaneous					
Interest	300	25	28	3	51
Total miscellaneous	<u>300</u>	<u>25</u>	<u>28</u>	<u>3</u>	<u>51</u>
Total revenues	<u>8,800</u>	<u>7,177</u>	<u>7,913</u>	<u>736</u>	<u>6,951</u>
Expenditures					
Judicial					
Services and supplies	4,000	1,050	1,930	(880)	383
Capital outlay	-	4,025	-	4,025	3,232
Total expenditures	<u>4,000</u>	<u>5,075</u>	<u>1,930</u>	<u>3,145</u>	<u>3,615</u>
Net change in fund balance	4,800	2,102	5,983	(2,409)	3,336
Fund balance, beginning of year	<u>63,879</u>	<u>63,879</u>	<u>63,879</u>	<u>-</u>	<u>60,543</u>
Fund balance, end of year	<u>\$ 68,679</u>	<u>\$ 65,981</u>	<u>\$ 69,862</u>	<u>\$ 3,881</u>	<u>\$ 63,879</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Intergovernmental					
Operating grants	\$ 10,000	\$ 22,000	\$ 22,000	\$ -	\$ 9,750
Elko county recreation board	50,000	50,000	50,000	-	75,700
Grant Revenue	-	48,012	48,012	-	-
Total intergovernmental	<u>60,000</u>	<u>120,012</u>	<u>120,012</u>	<u>-</u>	<u>85,450</u>
Miscellaneous					
Merchandise sales	2,500	2,500	1,860	(640)	1,838
Total miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>1,860</u>	<u>(640)</u>	<u>1,838</u>
Total revenues	<u>62,500</u>	<u>122,512</u>	<u>121,872</u>	<u>(640)</u>	<u>87,288</u>
Expenditures					
Community support					
Salaries and wages	109,811	110,637	110,351	286	106,593
Employee benefits	61,220	63,209	60,858	2,351	59,978
Services and supplies	69,500	37,500	27,854	9,646	52,662
Capital outlay	65,000	65,000	63,494	1,506	58,421
Total expenditures	<u>305,531</u>	<u>276,346</u>	<u>262,557</u>	<u>13,789</u>	<u>277,654</u>
Excess of revenues over (under) expenditures	<u>(243,031)</u>	<u>(153,834)</u>	<u>(140,685)</u>	<u>13,149</u>	<u>(190,366)</u>
Other financing sources					
Transfers in	243,031	154,000	154,000	-	171,120
Net change in fund balance	-	166	13,315	13,149	(19,246)
Fund balance, beginning of year	17,630	17,630	17,630	-	36,876
Fund balance, end of year	<u>\$ 17,630</u>	<u>\$ 17,796</u>	<u>\$ 30,945</u>	<u>\$ 13,149</u>	<u>\$ 17,630</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Intergovernmental					
Grant Revenue	\$ -	\$ 4,803	\$ 4,803	\$ -	\$ -
Total intergovernmental	<u>-</u>	<u>4,803</u>	<u>4,803</u>	<u>-</u>	<u>-</u>
Miscellaneous					
Merchandise sales	200	150	17	(133)	150
Interest revenue	-	450	420	(30)	417
Total miscellaneous	<u>200</u>	<u>600</u>	<u>437</u>	<u>(163)</u>	<u>567</u>
Total revenues	<u>200</u>	<u>5,403</u>	<u>5,240</u>	<u>(163)</u>	<u>567</u>
Expenditures					
Community Support					
Services and supplies	22,500	23,500	20,078	3,422	20,246
Total expenditures	<u>22,500</u>	<u>23,500</u>	<u>20,078</u>	<u>3,422</u>	<u>20,246</u>
Excess of revenues over (under) expenditures	<u>(22,300)</u>	<u>(18,097)</u>	<u>(14,838)</u>	<u>3,259</u>	<u>(19,679)</u>
Other financing sources					
Transfers in	22,300	18,100	18,100	-	22,100
Net change in fund balance	-	3	3,262	3,259	2,421
Fund balance, beginning of year	14,450	14,450	14,450	-	12,029
Fund balance, end of year	<u>\$ 14,450</u>	<u>\$ 14,453</u>	<u>\$ 17,712</u>	<u>\$ 3,259</u>	<u>\$ 14,450</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Intergovernmental					
Grant revenue	\$ -	\$ 2,870,346	\$ -	\$ (2,870,346)	\$ 662,607
Other grant revenue	-	-	-	-	-
Total intergovernmental	-	2,870,346	-	(2,870,346)	662,607
Total revenues	-	2,870,346	-	(2,870,346)	662,607
Expenditures					
Public safety					
Salaries and wages	-	-	-	-	172,996
Employee benefits	-	-	-	-	278,155
Services and supplies	-	2,870,346	-	2,870,346	211,456
Total public safety	-	2,870,346	-	2,870,346	662,607
Total expenditures	-	2,870,346	-	2,870,346	662,607
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WEST WENDOVER, NEVADA
Community Services and Local School Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Community Support					
Services and supplies	-	29,211	29,201	10	-
Total expenditures	-	29,211	29,201	10	-
Excess of revenues over (under) expenditures	-	(29,211)	(29,201)	10	-
Other financing sources					
Transfers in	-	29,211	29,211	-	-
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	10	10	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ -</u>

CITY OF WEST WENDOVER, NEVADA
Ad Valorem Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Revenues					
Intergovernmental					
Grant Revenue	\$ -	\$ 11,308	\$ 11,308	\$ -	\$ -
Total intergovernmental	-	11,308	11,308	-	-
Other taxes					
Ad valorem tax	50,000	50,000	59,564	9,564	57,999
Total other taxes	50,000	50,000	59,564	9,564	57,999
Total revenues	50,000	61,308	70,872	9,564	57,999
Expenditures					
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	50,000	61,308	70,872	9,564	57,999
Other financing sources (uses)					
Transfers out	(50,000)	(61,308)	(61,308)	-	(40,585)
Net change in fund balance	-	-	9,564	9,564	17,414
Fund balance, beginning of year	44,560	44,560	44,560	-	27,146
Fund balance, end of year	\$ 44,560	\$ 44,560	\$ 54,124	\$ 9,564	\$ 44,560

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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Operating revenues					
Charges for services	\$ 1,344,500	\$ 1,344,500	\$ 1,340,630	\$ (3,870)	\$ 1,300,479
Total operating revenues	1,344,500	1,344,500	1,340,630	(3,870)	1,300,479
Operating expenses					
Water purchases	619,000	619,000	567,230	51,770	578,326
Salaries and wages	228,590	228,590	240,323	(11,733)	220,864
Employee benefits	130,340	130,340	83,386	46,954	118,910
Services and supplies	337,723	337,723	315,645	22,078	307,444
Depreciation and amortization	143,000	143,000	138,038	4,962	140,220
Total operating expenses	1,458,653	1,458,653	1,344,622	114,031	1,365,764
Operating income	(114,153)	(114,153)	(3,992)	110,161	(65,285)
Nonoperating revenues (expenses)					
Interest income	48,987	48,987	49,145	158	38,280
Impact fees	25,000	25,000	25,159	159	1,496
Grant revenue	238,048	238,048	238,048	-	-
Miscellaneous income	13,000	13,000	13,831	831	15,826
Contributions from component unit for debt payments	110,735	110,735	10,584	(100,151)	10,584
Capital outlay	(10,825)	(10,825)	(953)	9,872	(788)
Interest expense	(67,128)	(67,128)	(68,674)	(1,546)	(58,375)
Total nonoperating revenues (expenses)	357,817	357,817	267,140	(90,677)	7,023
Change in net position	243,664	243,664	263,148	19,484	(58,262)
Total net position, beginning of year	3,612,390	3,612,390	3,612,390	-	3,670,652
Total net position, end of year	<u>\$ 3,856,054</u>	<u>\$ 3,856,054</u>	<u>\$ 3,875,538</u>	<u>\$ 19,484</u>	<u>\$ 3,612,390</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Operating revenues					
Charges for services:					
Charges for services	\$ 1,233,600	\$ 1,233,600	\$ 1,220,332	\$ (13,268)	\$ 1,115,614
Total operating revenues	<u>1,233,600</u>	<u>1,233,600</u>	<u>1,220,332</u>	<u>(13,268)</u>	<u>1,115,614</u>
Operating expenses					
Salaries and wages	337,037	337,037	332,126	4,911	287,898
Employee benefits	193,302	193,302	130,003	63,299	174,699
Services and supplies	435,600	435,600	433,843	1,757	408,089
Capital outlay	9,825	9,825	-	9,825	-
Depreciation and amortization	555,500	555,500	544,653	10,847	546,726
Total operating expenses	<u>1,531,264</u>	<u>1,531,264</u>	<u>1,440,625</u>	<u>90,639</u>	<u>1,417,412</u>
Operating loss	<u>(297,664)</u>	<u>(297,664)</u>	<u>(220,293)</u>	<u>77,371</u>	<u>(301,798)</u>
Nonoperating revenues (expenses)					
Interest income	270	270	365	95	223
Impact fees	10,000	10,000	12,851	2,851	-
Grant revenue	816,491	816,491	816,491	-	-
Miscellaneous income	6,500	6,500	7,764	1,264	8,056
Interest expense	(67,013)	(67,013)	(66,239)	774	(70,162)
Total nonoperating revenues	<u>766,248</u>	<u>766,248</u>	<u>771,232</u>	<u>4,984</u>	<u>(61,883)</u>
Change in net position	468,584	468,584	550,939	82,355	(363,681)
Total net position, beginning of year	8,085,069	8,085,069	8,085,069	-	8,448,750
Total net position, end of year	<u>\$ 8,085,069</u>	<u>\$ 8,085,069</u>	<u>\$ 8,636,008</u>	<u>\$ 550,939</u>	<u>\$ 8,085,069</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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Operating revenues					
Charges for services	\$ 1,472,600	\$ 1,472,600	\$ 1,767,009	\$ 294,409	\$ 1,388,999
Total operating revenues	<u>1,472,600</u>	<u>1,472,600</u>	<u>1,767,009</u>	<u>294,409</u>	<u>1,388,999</u>
Operating expenses					
Salaries and wages	356,243	356,243	291,040	65,203	282,584
Employee benefits	196,977	196,977	119,985	76,992	158,556
Services and supplies	273,802	273,802	240,628	33,174	207,719
Capital outlay	20,000	20,000	-	20,000	-
Depreciation and amortization	338,200	338,200	353,041	(14,841)	382,278
Total operating expenses	<u>1,185,222</u>	<u>1,185,222</u>	<u>1,004,694</u>	<u>180,528</u>	<u>1,031,137</u>
Operating income	<u>287,378</u>	<u>287,378</u>	<u>762,315</u>	<u>474,937</u>	<u>357,862</u>
Nonoperating revenues (expenses)					
Interest income	600	600	1,216	616	1,580
Grant revenue	307,203	307,203	307,203	-	-
Miscellaneous income	3,000	3,000	24,917	21,917	21,240
Interest expense	(17,561)	(17,561)	(16,766)	795	(22,867)
Total nonoperating expenses	<u>293,242</u>	<u>293,242</u>	<u>316,570</u>	<u>23,328</u>	<u>(47)</u>
Change in net position	580,620	580,620	1,078,885	498,265	357,815
Total net position, beginning of year	4,326,322	4,326,322	4,326,322	-	3,968,507
Total net position, end of year	<u>\$ 4,906,942</u>	<u>\$ 4,906,942</u>	<u>\$ 5,405,207</u>	<u>\$ 498,265</u>	<u>\$ 4,326,322</u>

COMPONENT UNIT SUPPLEMENTARY SCHEDULES

CITY OF WEST WENDOVER, NEVADA
Component Unit – Johnson Springs
Statement of Net Position
For the Year Ended June 30, 2022

	<u>Component Unit Johnson Springs</u>
Assets	
Current assets	
Cash and investments	\$ 559,602
Accounts receivable, net	69,090
Inventory	15,053
Total current assets	<u>643,745</u>
Noncurrent assets	
Land	18,000
Buildings	6,836,936
Improvements other than buildings	411,632
Machinery and equipment	580,779
Utility system	5,316,197
Less accumulated depreciation	<u>(8,007,063)</u>
Total noncurrent assets	<u>5,156,481</u>
Total assets	<u>5,800,226</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	<u>45,602</u>
Liabilities	
Current liabilities	
Accounts payable	27,846
Accrued liabilities	1,687
Due to primary government	1,949,463
Compensated absences	10,144
Total current liabilities	<u>1,989,140</u>
Noncurrent liabilities:	
Net pension liability	<u>73,348</u>
Total noncurrent liabilities	<u>73,348</u>
Total liabilities	<u>2,062,488</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	<u>66,286</u>
Net Position	
Net investment in capital assets	3,207,018
Unrestricted	510,036
Total net position	<u>\$ 3,717,054</u>

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, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2021
Operating revenues					
Charges for services	\$ 715,000	\$ 715,000	\$ 716,382	\$ 1,382	\$ 721,512
Total operating revenues	<u>715,000</u>	<u>715,000</u>	<u>716,382</u>	<u>1,382</u>	<u>721,512</u>
Operating expenses					
Water purchases	113,000	113,000	111,534	1,466	112,866
Salaries and wages	57,000	57,000	57,450	(450)	62,414
Employee benefits	44,300	44,300	2,452	41,848	10,284
Services and supplies	296,556	296,556	273,195	23,361	236,155
Depreciation and amortization	392,700	392,700	392,503	197	392,004
Total operating expenses	<u>903,556</u>	<u>903,556</u>	<u>837,134</u>	<u>66,422</u>	<u>813,723</u>
Operating loss	<u>(188,556)</u>	<u>(188,556)</u>	<u>(120,752)</u>	<u>67,804</u>	<u>(92,211)</u>
Nonoperating revenues (expenses)					
Interest income	1,750	1,750	4,022	2,272	5,188
Grant revenue	154,315	154,315	154,315	-	-
Miscellaneous income	60,000	60,000	60,000	-	12,000
Debt paid through primary government	(10,584)	(10,584)	(10,584)	-	(10,584)
Interest expense	(48,587)	(48,587)	(48,587)	-	(36,607)
Total nonoperating revenues (expenses)	<u>156,894</u>	<u>156,894</u>	<u>159,166</u>	<u>2,272</u>	<u>(30,003)</u>
Change in net position	<u>(31,662)</u>	<u>(31,662)</u>	<u>38,414</u>	<u>70,076</u>	<u>(122,214)</u>
Total net position, beginning of year	3,678,640	3,678,640	3,678,640	-	3,800,854
Total net position, end of year	<u>\$ 3,646,978</u>	<u>\$ 3,646,978</u>	<u>\$ 3,717,054</u>	<u>\$ 70,076</u>	<u>\$ 3,678,640</u>

CITY OF WEST WENDOVER, NEVADA
Component Unit – Johnson Springs
Statement of Cash Flows
June 30, 2022

	Component Unit
	Johnson Springs
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 725,081
Cash paid to suppliers	(415,969)
Cash paid to employees	(81,483)
Net cash flows from operating activities	227,629
Cash Flows From Noncapital Financing Activities:	
Net component unit receipts/(payments)	(110,735)
Cash received from miscellaneous sources	60,000
Grant proceeds	154,315
Net cash flows from noncapital financing activities	103,580
Cash Flows From Capital and Related Financing Activities:	
Interest paid on capital debt	(48,587)
Acquisition and construction of capital assets	(9,525)
Net cash flows from capital and related financing activities	(58,112)
Cash Flows From Investing Activities:	
Interest income	4,022
Net change in cash and cash equivalents	277,119
Cash and investments, including restricted cash, beginning of year	282,483
Cash and Cash Equivalents, Including Restricted Cash , End of Year	\$ 559,602
Reconciliation of operating income to net cash flows from operating activities:	
Operating income (loss)	\$ (120,752)
Adjustments to reconcile net income (loss) to net cash from operating activities	
Depreciation/amortization	392,503
Pension expense	(12,763)
Employer pension contributions	(9,114)
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	8,699
(Increase) decrease in inventory	(832)
Increase (decrease) in accounts payable	(30,408)
Increase (decrease) in compensated absences	296
Net cash flows from operating activities	\$ 227,629

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, 2022, and the related notes to the financial statements, which collectively comprise City of West Wendover, Nevada's basic financial statements and have issued our report thereon dated October 27, 2022.

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 including on whether the funds established by the City, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 to 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

HintonBurdick, PLLC

St. George, Utah
October 27, 2022

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, 2022

Flat Fixed Fees:

Business license revenue adjusted base at June 30, 2021	<u>\$ 22,162</u>
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Adjustment to Base:

1. Percentage change in population of the local government	1.2%	
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>7.0%</u>	<u>8.2%</u>
Increase in base		<u>1,817</u>
Adjusted base at June 30, 2022		<u>23,979</u>
Actual revenue		<u>17,500</u>
Amount over (under) allowable amount		<u><u>\$ (6,479)</u></u>

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