



**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**WITH REPORT OF**  
**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

# CITY OF WEST WENDOVER, NEVADA

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## **FINANCIAL SECTION**

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**HINTONBURDICK**  
CPAs & ADVISORS

## **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, 2023, and the related notes to the financial statements, which collectively comprise the Town'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 Town, as of June 30, 2023, 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.

#### ***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 and 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, the 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 November 10, 2023 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  
November 10, 2023



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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, 2023. 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 \$37.0 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 \$4.3 million. Business-type net position increased by \$176 thousand.
- Total revenues from all governmental sources were \$14.5 million and the total cost of all City programs were \$10.2 million.
- The General Fund revenues exceeded expenditures, excluding transfers, by \$2.16 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,041,204, or 88% 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 \$37.0 million as of June 30, 2023 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	
	06/30/23	06/30/22	06/30/23	06/30/22	06/30/23	06/30/22
Assets						
Current and other assets	\$ 10,019,325	\$ 7,568,537	\$ 9,591,420	\$ 9,101,739	\$ 19,610,745	\$ 16,670,276
Net capital assets	22,808,597	19,864,065	14,979,611	15,775,100	37,788,208	35,639,165
Total assets	<u>32,827,922</u>	<u>27,432,602</u>	<u>24,571,031</u>	<u>24,876,839</u>	<u>57,398,953</u>	<u>52,309,441</u>
Deferred outflows	3,234,544	2,701,647	746,263	603,717	3,980,807	3,305,364
Liabilities						
Current liabilities	1,566,439	1,410,309	73,436	86,119	1,639,875	1,496,428
Long-term liabilities outstanding	15,367,965	10,184,111	7,097,276	6,600,143	22,465,241	16,784,254
Total liabilities	<u>16,934,404</u>	<u>11,594,420</u>	<u>7,170,712</u>	<u>6,686,262</u>	<u>24,105,116</u>	<u>18,280,682</u>
Deferred inflows	233,877	3,927,012	53,960	877,541	287,837	4,804,553
Net position:						
Net investment in capital assets	16,600,856	14,371,482	12,007,900	12,305,019	28,608,756	26,676,501
Restricted	385,459	334,273	1,002,481	894,208	1,387,940	1,228,481
Unrestricted	1,907,870	(92,938)	5,082,241	4,717,526	6,990,111	4,624,588
Total net position	<u>\$ 18,894,185</u>	<u>\$ 14,612,817</u>	<u>\$ 18,092,622</u>	<u>\$ 17,916,753</u>	<u>\$ 36,986,807</u>	<u>\$ 32,529,570</u>

### Governmental Activities

The cost of all Governmental activities this year was \$10,265,508. As shown on the statement of Changes in Net Position on the following page, \$1,492,798 of this cost was paid for by those who directly benefited from the programs; \$4,118,526 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 \$5,611,324. General taxes, asset sales, and other general revenues totaled \$8,935,551.

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.

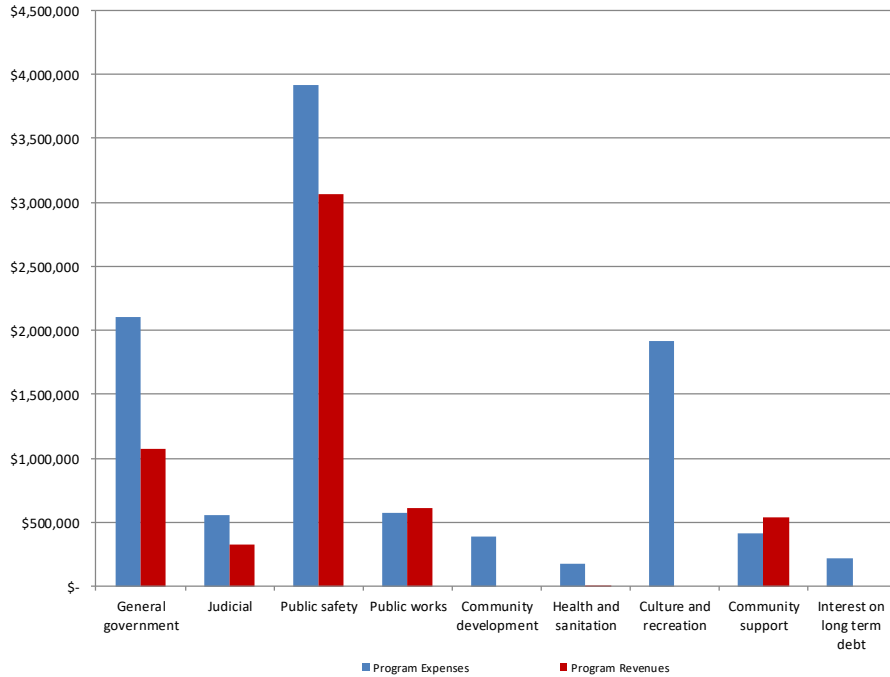
**City of West Wendover, Nevada**  
**Changes in Net Position**

	Governmental activities		Business-type activities		Combined Total	
	06/30/23	06/30/22	06/30/23	06/30/22	06/30/23	06/30/22
Revenues:						
Program revenues:						
Charges for services	\$ 1,492,798	\$ 1,597,973	\$ 4,300,870	\$ 4,327,971	\$ 5,793,668	\$ 5,925,944
Operating grants	3,205,450	1,545,394	-	1,399,752	3,205,450	2,945,146
Capital grants	913,076	503,537	23,864	-	936,940	503,537
General revenues:						
State shared revenue (unrestricted)	3,524,220	3,431,645	-	-	3,524,220	3,431,645
Room taxes	1,848,971	1,967,604	-	-	1,848,971	1,967,604
Ad valorem taxes	2,021,262	1,750,136	-	-	2,021,262	1,750,136
County gaming taxes	387,214	438,278	-	-	387,214	438,278
Franchise taxes	390,033	393,399	-	-	390,033	393,399
Right of way toll	256,719	256,628	-	-	256,719	256,628
Motor vehicle taxes	107,897	106,163	-	-	107,897	106,163
Other taxes	4,586	4,560	-	-	4,586	4,560
Investment earnings	374,251	5,852	70,129	50,726	444,380	56,578
Miscellaneous revenues	20,398	71,164	44,722	57,096	65,120	128,260
Total revenues	<u>14,546,875</u>	<u>12,072,333</u>	<u>4,439,585</u>	<u>5,835,545</u>	<u>18,986,460</u>	<u>17,907,878</u>
Expenses:						
General government	2,102,784	1,538,091	-	-	2,102,784	1,538,091
Judicial	558,786	453,528	-	-	558,786	453,528
Public safety	3,918,291	3,437,837	-	-	3,918,291	3,437,837
Public works	577,620	332,428	-	-	577,620	332,428
Community development	388,744	490,922	-	-	388,744	490,922
Health and sanitation	172,841	140,372	-	-	172,841	140,372
Culture and recreation	1,913,272	2,495,841	-	-	1,913,272	2,495,841
Community support	413,980	354,459	-	-	413,980	354,459
Interest on long term debt	219,190	195,249	-	-	219,190	195,249
Water	-	-	1,456,218	1,414,249	1,456,218	1,414,249
Sewer	-	-	1,453,708	1,506,864	1,453,708	1,506,864
Garbage/Compost	-	-	1,353,789	1,021,460	1,353,789	1,021,460
Total expenses	<u>10,265,508</u>	<u>9,438,727</u>	<u>4,263,715</u>	<u>3,942,573</u>	<u>14,529,223</u>	<u>13,381,300</u>
Increase in net position	4,281,367	2,633,606	175,870	1,892,972	4,457,237	4,526,578
Net position, beginning	14,612,818	11,901,289	17,916,752	16,023,781	32,529,570	27,925,070
Restatement adjustment	-	77,922	-	-	-	77,922
Net position, ending	<u>\$ 18,894,185</u>	<u>\$ 14,612,817</u>	<u>\$ 18,092,622</u>	<u>\$ 17,916,753</u>	<u>\$ 36,986,807</u>	<u>\$ 32,529,570</u>

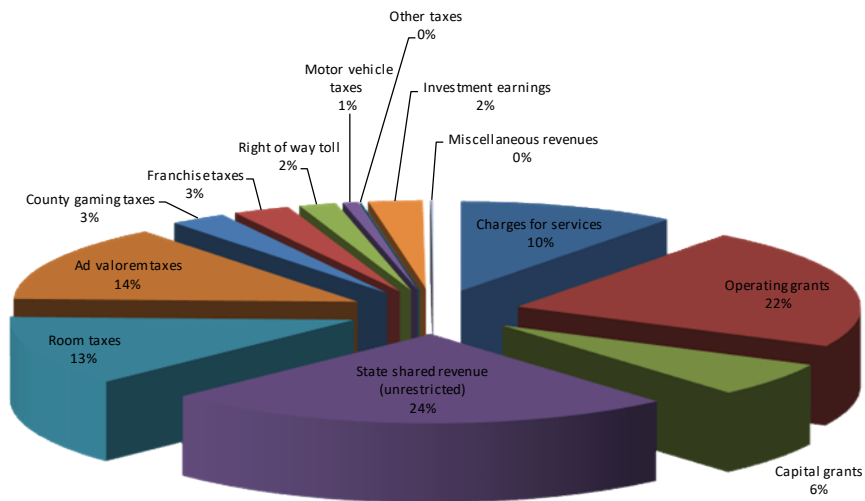
Total resources available during the year to finance governmental operations were \$29,159,693 consisting of Net Position at July 1, 2022 of \$14.6 million, program revenues of \$5.6 million and General Revenue of \$8.9 million. Total cost of Governmental Activities during the year were \$10.2 million; thus, Governmental Net Position increased by \$4,281,367 to \$19.0 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**

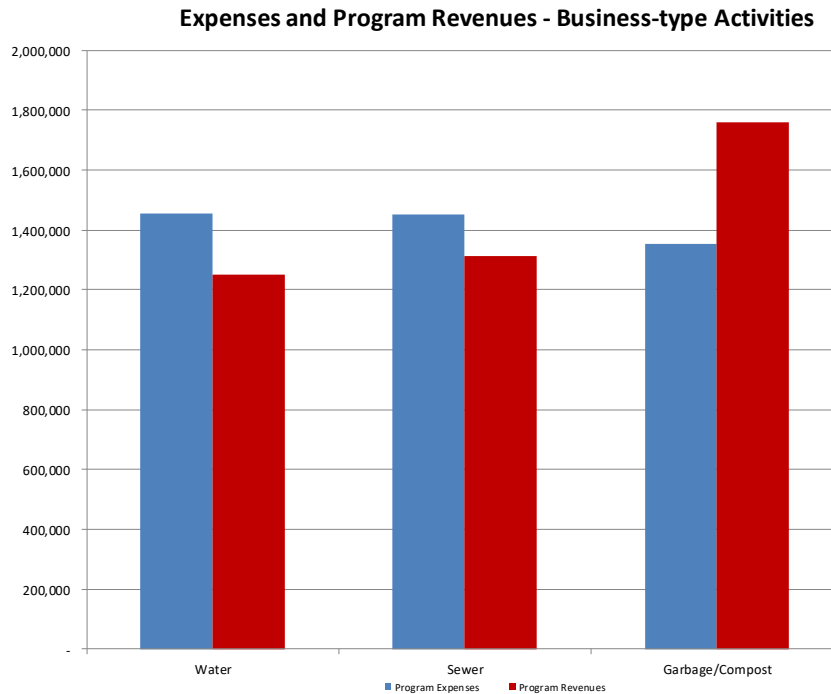


**Revenues By Source - Governmental Activities**



## Business Type Activities

Net position of the Business Type activities at June 30, 2023, as reflected in the Statement of Net Position was \$18.1 million. The cost of providing all Proprietary (Business Type) activities this year was \$4.3 million. As shown in the Statement of Activities, the amounts paid by users of the system were \$4.3 million and \$23,864 was subsidized by capital grants and contributions. Unrestricted investment earnings totaled \$70,129; other revenue totaled \$44,722, thus, net position increased by \$175,870.



## 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 \$8,383,959, an increase of \$2,351,747 in comparison with the prior year. 72% of the total fund balance or \$6,041,204 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 \$6,041,204, and total fund balance is \$6,712,256. 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 88% of total general fund expenditures. During the year, the City of West Wendover's general fund balance was budgeted to increase by \$490,328. The total fund balance increased by \$1,700,382 due primarily to lower expenditures than budgeted.

The recreation fund has a fund balance of \$307,388, all of which is restricted for culture and recreation appropriation. Change in fund balance for the year was \$46,764.

The capital projects fund has a fund balance of \$1,175,053, all of which is restricted for capital improvement related projects. Change in fund balance for the year was \$591,779.

### **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, 2023, unrestricted net position amounted to \$869,934 for the water fund. The change in net position for fiscal year 2023 was (\$134,736) and the change in net position for fiscal year 2022 was \$263,148. The decrease in the change in net position was due to a decrease in operating revenues and an increase in operating expenses.

At June 30, 2023, unrestricted net position amounted to \$989,687 for the sewer fund. The change in net position for fiscal year 2023 was (\$128,930) and the change in net position for fiscal year 2022 was \$550,939. The decrease in the change in net position was due to a decrease in grant revenue.

At June 30, 2023, unrestricted net position amounted to \$3,222,620 for the garbage/compost fund. The change in net position for fiscal year 2023 was \$439,536 and the change in net position for fiscal year 2022 was \$1,078,885. The decrease in the change in net position was due to a decrease in grant revenue and an increase in operating expenses.

### **General Fund Budgetary Highlights**

Actual expenditures for the General Fund at year-end were \$933,257 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 less than the final budget by \$58,976.

## **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 2023, net capital assets of the government activities totaled \$22.8 million and the net capital assets of the business-type activities totaled \$14.9 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 \$15.4 million in governmental type long term liabilities, and \$7.1 million in proprietary long term liabilities. The liabilities amounts to \$1,247 per capita (4,557 – 2020 population US Census Bureau Website 2020). The City’s net increase in total long term liabilities was \$5,680,987. (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 2023-2024, the City Council and management continue to remain optimistic with regard to revenue growth and dutiful concerning expenditures as the City moves forward from the lingering effects related to the economy from the COVID pandemic and the subsequent economic conditions more recently a result of a high inflationary environment.

The City is anticipated to enter into a new three-year Collective Bargaining Agreement (CBA) with the Police Officers Association which would be effective July 1, 2024 through June 30, 2027 as well as a new three-year CBA with Local 4041, effective July 1, 2024 through June 30, 2027. In both cases, we anticipate moderate Cost of Living (COLA) adjustments to wage classifications, especially given the macro inflationary pressures which have outpaced previous COLA increases during the contract period.

Projects that are reflected in the City Budget for the fiscal year 2023-2024 are as follows:

- Construction of the West Wendover Fire Station EOC facility which will begin the spring of 2024 with an anticipated completion of summer 2025. Estimated project cost \$13.682 million.
  
- Completion of the Logistics Drive located within the city’s Industrial Park. Estimated cost of this project is just over \$1.0 million.
  
- Based on the anticipation of federal grants including HUD and EPA, the City anticipates completing two additional projects:
  - Downtown Development Infrastructure Phase 2 (utility/restroom and splash pad facility) at a cost of \$3.7 million
  - 3-Mile Reservoir Rehabilitation Project at a cost of \$300k

## **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, 2023**

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Johns on Springs
<b>Assets</b>				
Cash and temporary investments	\$ 8,002,199	\$ 6,257,553	\$ 14,259,752	\$ 750,588
Accounts receivable, net	1,552,362	426,853	1,979,215	51,351
Due from component unit	-	1,854,605	1,854,605	-
Inventory	37,633	40,994	78,627	15,053
Prepaid items	113,191	8,934	122,125	-
Restricted cash	313,940	1,002,481	1,316,421	-
Lease receivable	34,239	-	34,239	-
Capital assets not being depreciated:			-	
Land	1,416,475	111,000	1,527,475	18,000
Construction in progress	4,455,688	-	4,455,688	-
Capital assets, net of accumulated depreciation:				
Buildings, net	6,858,827	3,048,521	9,907,348	1,575,789
Improvements other than buildings, net	9,455,448	1,702,109	11,157,557	174,796
Machinery and equipment, net	622,159	749,373	1,371,532	108,909
Utility systems	-	9,368,608	9,368,608	2,893,869
Total assets	<u>32,862,161</u>	<u>24,571,031</u>	<u>57,433,192</u>	<u>5,588,355</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pensions	<u>3,234,544</u>	<u>746,263</u>	<u>3,980,807</u>	<u>46,264</u>
<b>Liabilities</b>				
Accounts payable	1,202,240	21,124	1,223,364	48,896
Accrued interest payable	20,766	46,954	67,720	-
Accrued expenses	272,233	-	272,233	1,687
Due to primary government	-	-	-	1,854,605
Unearned revenue	71,200	-	71,200	-
Deposits payable	-	5,358	5,358	-
Noncurrent liabilities				
Due within one year	1,660,636	538,804	2,199,440	10,283
Due in more than one year	4,878,136	4,521,430	9,399,566	-
Net pension liability	8,829,193	2,037,042	10,866,235	126,284
Total liabilities	<u>16,934,404</u>	<u>7,170,712</u>	<u>24,105,116</u>	<u>2,041,755</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	233,877	53,960	287,837	3,345
Deferred inflows related to leases	34,239	-	34,239	-
	<u>268,116</u>	<u>53,960</u>	<u>322,076</u>	<u>3,345</u>
<b>Net Position</b>				
Net investment in capital assets	16,600,856	12,007,900	28,608,756	2,916,758
Restricted for:				
Judicial	78,071	-	78,071	-
Culture and recreation	307,388	-	307,388	-
Debt service	-	837,481	837,481	-
Restricted for closure/post closure		165,000	165,000	
Unrestricted	<u>1,907,870</u>	<u>5,082,241</u>	<u>6,990,111</u>	<u>672,761</u>
Total net position	<u>\$ 18,894,185</u>	<u>\$ 18,092,622</u>	<u>\$ 36,986,807</u>	<u>\$ 3,589,519</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, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total	Unit
							Johnson Springs	
<b>Governmental:</b>								
General government	\$ 2,102,784	\$ 1,072,976	\$ -	\$ -	\$ (1,029,808)	\$ -	\$ (1,029,808)	\$ -
Judicial	558,786	320,482	-	-	(238,304)	-	(238,304)	-
Public safety	3,918,291	48,736	2,912,589	105,175	(851,791)	-	(851,791)	-
Public works	577,620	43,942	155,000	407,901	29,223	-	29,223	-
Community development	388,744	-	-	-	(388,744)	-	(388,744)	-
Health and sanitation	172,841	5,489	-	-	(167,352)	-	(167,352)	-
Culture and recreation	1,913,272	-	-	-	(1,913,272)	-	(1,913,272)	-
Community support	413,980	1,173	137,861	400,000	125,054	-	125,054	-
Interest on long term debt	219,190	-	-	-	(219,190)	-	(219,190)	-
Total governmental activities	<u>10,265,508</u>	<u>1,492,798</u>	<u>3,205,450</u>	<u>913,076</u>	<u>(4,654,184)</u>	<u>-</u>	<u>(4,654,184)</u>	<u>-</u>
<b>Business-type:</b>								
Water	1,456,218	1,233,220	-	19,062	-	(203,936)	(203,936)	-
Sewer	1,453,708	1,307,925	-	4,802	-	(140,981)	(140,981)	-
Garbage/Compost	1,353,789	1,759,725	-	-	-	405,936	405,936	-
Total business-type activities	<u>4,263,715</u>	<u>4,300,870</u>	<u>-</u>	<u>23,864</u>	<u>-</u>	<u>61,019</u>	<u>61,019</u>	<u>-</u>
Total primary government	<u>\$ 14,529,223</u>	<u>\$ 5,793,668</u>	<u>\$ 3,205,450</u>	<u>\$ 936,940</u>				
<b>Component Unit:</b>								
Johnson Springs	<u>\$ 899,063</u>	<u>\$ 666,912</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(232,151)</u>
<b>General Revenues:</b>								
State Shared Revenue (Unrestricted)					3,524,220	-	3,524,220	-
Room taxes					1,848,971	-	1,848,971	-
Ad valorem taxes					2,021,262	-	2,021,262	-
County gaming taxes					387,214	-	387,214	-
Franchise taxes					390,033	-	390,033	-
Right of way toll					256,719	-	256,719	-
Motor vehicle taxes					107,897	-	107,897	-
Other taxes					4,586	-	4,586	-
Investment earnings					374,251	70,129	444,380	44,616
Miscellaneous revenues					20,398	44,722	65,120	60,000
Total general revenues and transfers					<u>8,935,551</u>	<u>114,851</u>	<u>9,050,402</u>	<u>104,616</u>
Change in net position					4,281,367	175,870	4,457,237	(127,535)
Net position - beginning					14,612,818	17,916,752	32,529,570	3,717,054
Net position - ending					<u>\$ 18,894,185</u>	<u>\$ 18,092,622</u>	<u>\$ 36,986,807</u>	<u>\$ 3,589,519</u>

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

**CITY OF WEST WENDOVER, NEVADA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General Fund</b>	<b>Recreation Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and temporary investments	\$ 6,234,949	\$ 302,414	\$ 1,175,349	\$ 197,958	\$ 7,910,670
Accounts receivable, net	6,191	159,578	-	-	165,769
Due from other governments	854,982	-	368,335	8,404	1,231,721
Lease receivable	34,239	-	-	-	34,239
Inventory	36,601	-	-	1,032	37,633
Prepaid and other items	39,763	-	-	-	39,763
Restricted cash	440	-	313,500	-	313,940
Total assets	<u>7,207,165</u>	<u>461,992</u>	<u>\$ 1,857,184</u>	<u>\$ 207,394</u>	<u>\$ 9,733,735</u>
<b>Liabilities</b>					
Accounts payable	\$ 117,237	\$ 154,604	\$ 682,131	\$ 18,132	\$ 972,104
Accrued liabilities	272,233	-	-	-	272,233
Unearned revenue	71,200	-	-	-	71,200
Total liabilities	<u>460,670</u>	<u>154,604</u>	<u>682,131</u>	<u>18,132</u>	<u>1,315,537</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to leases	<u>34,239</u>	-	-	-	<u>34,239</u>
<b>Fund Balances</b>					
Nonspendable			-		
Inventories	36,601	-		1,032	37,633
Prepaid items	39,763	-		-	39,763
Restricted					
Recreation district	-	307,388		-	307,388
Capital improvement projects	-	-	1,175,053	54,256	1,229,309
Courts and other judicial programs	-	-		78,071	78,071
recreation programs	-	-		55,388	55,388
Other purposes	440	-		-	440
Committed			-		
Parks and other cultural and recreation programs	594,248	-		515	594,763
Unassigned	<u>6,041,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,041,204</u>
Total fund balances	<u>6,712,256</u>	<u>307,388</u>	<u>1,175,053</u>	<u>189,262</u>	<u>8,383,959</u>
Total liabilities and fund balances	<u>\$ 7,207,165</u>	<u>\$ 461,992</u>	<u>\$ 1,857,184</u>	<u>\$ 207,394</u>	<u>\$ 9,733,735</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, 2023**

Total fund balances - governmental funds	\$	8,383,959
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Governmental capital assets	\$	36,136,552
Accumulated depreciation		<u>(13,327,955)</u>
		22,808,597
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Net pension liabilities	\$	(8,829,193)
Bonds payable		(6,207,741)
Compensated absences		(331,031)
Interest payable		<u>(20,766)</u>
		(15,388,731)
<p>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.</p>		
		89,693
<p>Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Deferred outflows	\$	3,234,544
Deferred inflows		<u>(233,877)</u>
		3,000,667
Total net position - governmental activities		<u><u>\$ 18,894,185</u></u>

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

**CITY OF WEST WENDOVER, NEVADA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Recreation Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes	\$ 1,895,195	\$ 1,848,971	\$ -	\$ 50,132	\$ 3,794,298
Licenses and permits	1,708,833	-	-	-	1,708,833
Intergovernmental	4,712,658	-	208,901	2,984,296	7,905,855
Charges for services	72,532	-	-	8,013	80,545
Fines and forfeits	46,078	-	-	-	46,078
Miscellaneous revenues	608,021	-	401,368	1,877	1,011,266
	<u>9,043,317</u>	<u>1,848,971</u>	<u>610,269</u>	<u>3,044,318</u>	<u>14,546,875</u>
Total revenues					
<b>Expenditures</b>					
Current					
General government	1,266,652	-	-	-	1,266,652
Judicial	514,390	-	-	3,861	518,251
Public safety	4,000,100	-	-	-	4,000,100
Public works	541,452	-	-	-	541,452
Community development	314,871	-	-	-	314,871
Health	148,416	-	-	-	148,416
Culture and recreation	17,748	1,802,207	-	-	1,819,955
Community support	25,733	-	-	383,040	408,773
Capital outlay	-	-	3,488,765	-	3,488,765
Debt service	55,622	-	566,826	-	622,448
	<u>6,884,984</u>	<u>1,802,207</u>	<u>4,055,591</u>	<u>386,901</u>	<u>13,129,683</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>2,158,333</u>	<u>46,764</u>	<u>(3,445,322)</u>	<u>2,657,417</u>	<u>1,417,192</u>
<b>Other Financing Sources (Uses)</b>					
Debt proceeds	-	-	1,116,755	-	1,116,755
Transfers in	-	-	2,920,346	275,751	3,196,097
Transfers out	(457,951)	-	-	(2,920,346)	(3,378,297)
	<u>(457,951)</u>	<u>-</u>	<u>4,037,101</u>	<u>(2,644,595)</u>	<u>934,555</u>
Total other financing sources and uses					
Net change in fund balances	1,700,382	46,764	591,779	12,822	2,351,747
Fund balances, beginning of year	<u>5,011,874</u>	<u>260,624</u>	<u>583,274</u>	<u>176,440</u>	<u>6,032,212</u>
<b>Fund balances, end of year</b>	<u>\$ 6,712,256</u>	<u>\$ 307,388</u>	<u>\$ 1,175,053</u>	<u>\$ 189,262</u>	<u>\$ 8,383,959</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, 2023**

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

Net change in fund balances - total governmental funds		\$ 2,351,747
<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	\$ 3,893,071	
Depreciation expense	<u>(948,539)</u>	2,944,532
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		401,597
<p>Accrued interest for long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities. The adjustment reflects the change in interest payable</p>		
		1,661
<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	\$ 540,958	
Pension expense	<u>(798,758)</u>	(257,800)
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the change in compensated absences payable.</p>		
		15,136
<p>The internal service fund is used by management to charge the cost of insurance to the various funds. The net revenue (loss) of the internal service fund is reported with governmental activities.</p>		
		(58,751)
Change in net position of governmental activities		<u>\$ 4,281,367</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, 2023**

	<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>
<b>Assets</b>					
Current assets					
Cash and investments	\$ 1,331,620	\$ 1,347,607	\$ 3,578,326	\$ 6,257,553	\$ 91,529
Accounts receivable, net	128,980	141,164	156,709	426,853	154,872
Due from other funds	-	-	-	-	-
Inventory	31,184	9,810	-	40,994	-
Prepaid expenses	1,268	5,626	2,040	8,934	73,428
Total current assets	<u>1,493,052</u>	<u>1,504,207</u>	<u>3,737,075</u>	<u>6,734,334</u>	<u>319,829</u>
Noncurrent assets					
Restricted cash	705,801	131,680	165,000	1,002,481	-
Due from component unit	1,854,605	-	-	1,854,605	-
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	5,173,112	6,224,315	-
Machinery and equipment	925,345	1,369,189	2,571,692	4,866,226	-
Utility system	2,251,288	15,820,916	-	18,072,204	-
Less accumulated depreciation	<u>(2,861,991)</u>	<u>(8,825,305)</u>	<u>(6,593,707)</u>	<u>(18,281,003)</u>	<u>-</u>
Total noncurrent assets	<u>5,238,300</u>	<u>9,746,842</u>	<u>2,851,555</u>	<u>17,836,697</u>	<u>-</u>
Total assets	<u>6,731,352</u>	<u>11,251,049</u>	<u>6,588,630</u>	<u>24,571,031</u>	<u>319,829</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions	<u>208,206</u>	<u>268,179</u>	<u>269,878</u>	<u>746,263</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	2,362	10,112	8,650	21,124	230,136
Accrued interest payable	24,806	10,518	11,630	46,954	-
Compensated absences	7,103	10,640	7,866	25,609	-
Customer deposits	5,358	-	-	5,358	-
Current portion of noncurrent liabilities	198,042	134,656	180,497	513,195	-
Total current liabilities	<u>237,671</u>	<u>165,926</u>	<u>208,643</u>	<u>612,240</u>	<u>230,136</u>
Noncurrent liabilities:					
Notes payable	-	-	48,935	48,935	-
Net pension liability	568,331	732,038	736,673	2,037,042	-
Bonds payable	2,377,700	2,094,795	-	4,472,495	-
Total noncurrent liabilities	<u>2,946,031</u>	<u>2,826,833</u>	<u>785,608</u>	<u>6,558,472</u>	<u>-</u>
Total liabilities	<u>3,183,702</u>	<u>2,992,759</u>	<u>994,251</u>	<u>7,170,712</u>	<u>230,136</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to pensions	<u>15,055</u>	<u>19,391</u>	<u>19,514</u>	<u>53,960</u>	<u>-</u>
<b>Net Position</b>					
Net investment in capital assets	2,165,066	7,385,711	2,457,123	12,007,900	-
Restricted for debt service	705,801	131,680	-	837,481	-
Restricted for closure/post closure	-	-	165,000	165,000	-
Unrestricted	869,934	989,687	3,222,620	5,082,241	89,693
Total net position	<u>\$ 3,740,801</u>	<u>\$ 8,507,078</u>	<u>\$ 5,844,743</u>	<u>\$ 18,092,622</u>	<u>\$ 89,693</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, 2023**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Garbage/ Compost Fund</b>	<b>Total Proprietary Funds</b>	<b>Health Insurance Internal Service Fund</b>
<b>Operating revenues</b>					
Charges for services	\$ 1,233,220	\$ 1,307,925	\$ 1,759,725	\$ 4,300,870	\$ 1,743,989
<b>Operating expenses</b>					
Water purchases	525,101	-	-	525,101	-
Salaries and wages	131,554	259,099	415,177	805,830	-
Employee benefits	226,800	151,102	283,347	661,249	1,984,940
Services and supplies	365,781	445,112	298,512	1,109,405	-
Capital outlay	4,117	-	15,380	19,497	-
Depreciation and amortization	140,078	534,571	329,203	1,003,852	-
Total operating expenses	1,393,431	1,389,884	1,341,619	4,124,934	1,984,940
Operating income (loss)	(160,211)	(81,959)	418,106	175,936	(240,951)
<b>Nonoperating revenues (expenses)</b>					
Interest income	51,583	4,974	13,572	70,129	-
Impact fees	19,062	4,802	-	23,864	-
Miscellaneous income	7,033	7,077	20,028	34,138	-
Contributions from component unit for debt payments	10,584	-	-	10,584	-
Interest expense	(62,787)	(63,824)	(12,170)	(138,781)	-
Total nonoperating revenues (expenses)	25,475	(46,971)	21,430	(66)	-
<b>Transfers</b>					
Transfers in	-	-	-	-	182,200
<b>Change in net position</b>	(134,736)	(128,930)	439,536	175,870	(58,751)
Total net position, beginning	3,875,537	8,636,008	5,405,207	17,916,752	148,444
<b>Total net position, end of year</b>	<b>\$ 3,740,801</b>	<b>\$ 8,507,078</b>	<b>\$ 5,844,743</b>	<b>\$ 18,092,622</b>	<b>\$ 89,693</b>

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, 2023**

	<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>
<b>Cash Flows From Operating Activities:</b>					
Cash received from customers, service fees	\$ 1,265,351	\$ 1,302,901	\$ 1,752,344	\$ 4,320,596	\$ 1,589,117
Cash paid to suppliers	(896,145)	(454,143)	(317,225)	(1,667,513)	(1,830,470)
Cash paid to employees	(339,445)	(393,441)	(632,002)	(1,364,888)	-
Net cash flows from operating activities	<u>29,761</u>	<u>455,317</u>	<u>803,117</u>	<u>1,288,195</u>	<u>(241,353)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>					
Net component unit receipts/(payments)	105,442	-	-	105,442	-
Cash received from miscellaneous sources	7,033	7,077	20,028	34,138	-
Transfers from other funds	-	-	-	-	182,200
Net cash flows from noncapital financing activities	<u>112,475</u>	<u>7,077</u>	<u>20,028</u>	<u>139,580</u>	<u>182,200</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Impact fees	19,062	4,802	-	23,864	-
Principal paid on long term debt	(192,277)	(130,118)	(248,791)	(571,186)	-
Interest paid on long term debt	(62,787)	(63,824)	(12,170)	(138,781)	-
Acquisition and construction of capital assets	(19,184)	(20,646)	(168,535)	(208,365)	-
Net cash flows from capital and related financing activities	<u>(255,186)</u>	<u>(209,786)</u>	<u>(429,496)</u>	<u>(894,468)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>					
Interest income	51,583	4,974	13,572	70,129	-
Net change in cash and cash equivalents	(61,367)	257,582	407,221	603,436	(59,153)
Cash and investments, including restricted cash, beginning of year as restated	<u>2,098,788</u>	<u>1,221,705</u>	<u>3,336,105</u>	<u>6,656,598</u>	<u>150,682</u>
<b>Cash and Cash Equivalents, Including Restricted Cash , End of Year</b>	<u>\$ 2,037,421</u>	<u>\$ 1,479,287</u>	<u>\$ 3,743,326</u>	<u>\$ 7,260,034</u>	<u>\$ 91,529</u>
Reconciliation of operating income to net cash flows from operating activities:					
Operating income (loss)	\$ (160,211)	\$ (81,959)	\$ 418,106	\$ 175,936	\$ (240,951)
Adjustments to reconcile net income (loss) to net cash from operating activities					
Depreciation/amortization	140,078	534,571	329,203	1,003,852	-
Pension expense	53,385	61,245	110,066	224,696	-
Employer pension contributions	(34,821)	(44,851)	(45,135)	(124,807)	-
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	31,085	(5,024)	(7,381)	18,680	(154,872)
(Increase) decrease in inventory	3,577	(5,056)	-	(1,479)	-
(Increase) decrease in prepaid expenses	1,056	479	160	1,695	(3,072)
Increase (decrease) in accounts payable	(5,779)	(4,454)	(3,493)	(13,726)	157,542
Increase (decrease) in due from deposits	1,046	-	-	1,046	-
Increase (decrease) in compensated absences	345	366	1,591	2,302	-
Net cash flows from operating activities	<u>\$ 29,761</u>	<u>\$ 455,317</u>	<u>\$ 803,117</u>	<u>\$ 1,288,195</u>	<u>\$ (241,353)</u>

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

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies**

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**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, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**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, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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

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

**Measurement focus and basis of accounting**

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

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

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

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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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, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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

***Capital assets***

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

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

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

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

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

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

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has one type of item that qualifies for reporting in this category which is outflows related to pension, see note 17 for more information.



**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category which is pension related items reported on the government-wide financial statements. See footnote 17 for more information. The City has one type of item that qualifies for reporting in this category which is inflows related to leases, see note 8 for more information. The governmental funds report unearned revenues from two sources: advance payments for business licenses and advance payments for gaming licenses. These amounts are deferred and recognized as an inflow of resources in the period that the amounts are earned.

***Net position flow assumption***

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

***Fund balance flow assumptions***

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

***Fund balance policies***

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

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

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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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***

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: 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.

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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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.

*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.

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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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.

***Proprietary funds operating and non-operating revenues and expenses***

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

**Use of Estimates**

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

**Pensions**

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

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Comparative Data**

Comparative data shown for the prior year has been extracted from the 1899-1899 financial statements and reclassified where necessary. It has been provided to add comparability but is not considered full disclosure of transactions for 1899-1899. Such information can only be obtained by referring to the audited financial statements for that year.

**New Pronouncements**

For the year ended June 30, 2023, the City implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City had no SBITAs during the year ended June 30, 2023 that required reporting under GASB statement No. 96.

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

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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, 2023**

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**NOTE 3. Stewardship, Compliance, and Accountability**

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**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, 2023**

**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	14,005,710	(690,081)
Investments:		
Nevada local government investment pool	<u>1,568,889</u>	<u>1,440,669</u>
 Total deposits and investments	 <u>\$ 15,576,174</u>	 <u>\$ 750,588</u>
 Cash and cash equivalents	 \$ 14,259,752	 \$ 750,588
Restricted cash	<u>1,316,422</u>	<u>-</u>
	<u>\$ 15,576,174</u>	<u>\$ 750,588</u>

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned. The City does not have a formal policy for custodial credit risk. As of June 30, 2023, \$0 of the primary government and component unit's combined bank balance of \$13,337,892 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, 2023**

**NOTE 4. Cash and Investments, Continued**

As of June 30, 2023 the government had the following investments:

<u>Investment Type</u>	<u>Primary Government Fair Value</u>	<u>Component Unit Fair Value</u>	<u>Rating (1)</u>	<u>Weighted Averag Maturity (2)</u>
Nevada Local Government Pooled Investment Fund	\$ 1,568,889	\$ 1,440,669	N/A	113
Total Fair Value	<u>\$ 1,568,889</u>	<u>\$ 1,440,669</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, 2023:

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

	Primary Government	Component Unit
Level 1 inputs	\$ 619,711	\$ 569,064
Level 2 inputs	1,090,378	1,001,265
Total LGIP investment	<u>\$ 1,568,889</u>	<u>\$ 1,440,669</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, 2023**

**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, 2023:

Restricted cash footnote

Medium Term Sales Tax Revenue Bond Reserves	\$ 313,500
Closure / post closure trust funds	165,000
Waste Water Treatment Plant Revenue Bond Reserves	131,680
Water Revenue Bonds, Series 2015 Bond Reserves	24,192
Water Rev Bonds Series 2015 - Asset Replacement	171,804
AB198 Capital Replacement Projects Fund	509,806
Unutilized Regional Transportation Commission Funds	439
Total restricted cash - primary government	\$ 1,316,421

**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, 2023 were as follows:

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

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6. Capital Assets**

Governmental capital asset activity for the year ended June 30, 2023 was as follows:

<b>Governmental Activities:</b>	<b>Balance 6/30/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/23</b>
Capital assets, not being depreciated:				
Land	\$ 1,416,475	\$ -	\$ -	\$ 1,416,475
Construction in progress	1,987,818	3,535,911	(1,068,041)	4,455,688
Total capital assets, not being depreciated	<u>3,404,293</u>	<u>3,535,911</u>	<u>(1,068,041)</u>	<u>5,872,163</u>
Capital assets, being depreciated:				
Buildings	11,215,109	-	-	11,215,109
Other improvements	14,315,356	1,125,391	-	15,440,747
Machinery and equipment	3,443,721	299,810	(134,998)	3,608,533
Total capital assets, being depreciated	<u>28,974,186</u>	<u>1,425,201</u>	<u>(134,998)</u>	<u>30,264,389</u>
Less accumulated depreciation for:				
Buildings	(4,077,609)	(278,673)	-	(4,356,282)
Other improvements	(5,452,155)	(533,144)	-	(5,985,299)
Machinery and equipment	(2,984,650)	(136,722)	134,998	(2,986,374)
Total accumulated depreciation	<u>(12,514,414)</u>	<u>(948,539)</u>	<u>134,998</u>	<u>(13,327,955)</u>
Total capital assets, being depreciated, net	<u>16,459,772</u>	<u>476,662</u>	<u>-</u>	<u>16,936,434</u>
Governmental activities capital assets, net	<u>\$ 19,864,065</u>	<u>\$ 4,012,573</u>	<u>\$ (1,068,041)</u>	<u>\$ 22,808,597</u>

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

<b>Governmental Activities:</b>	
General government	\$ 533,387
Judicial	16,227
Public safety	116,313
Public works	2,023
Health and sanitation	27,147
Culture and recreation	96,371
Community support	419
Streets and highways	156,652
Total depreciation expense - governmental activities	<u>\$ 948,539</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6. Capital Assets, Continued**

Business-type capital asset activity for the year ended June 30, 2023 was as follows:

<b>Business-Type Activities:</b>	<b>Balance 6/30/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/23</b>
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	8,479	-	6,224,315
Machinery and equipment	3,989,145	180,703	-	4,169,848
Machinery and equipment (leased)	696,378	-	-	696,378
Utility systems	18,053,021	19,183	-	18,072,204
Total capital assets, being depreciated	<u>32,941,249</u>	<u>208,365</u>	<u>-</u>	<u>33,149,614</u>
Less accumulated depreciation for:				
Buildings	(838,503)	(99,845)	-	(938,348)
Other improvements	(4,300,042)	(222,164)	-	(4,522,206)
Machinery and equipment	(3,794,022)	(84,588)	-	(3,878,610)
Machinery and equipment (leased)	(168,605)	(69,638)	-	(238,243)
Utility systems	(8,175,977)	(527,619)	-	(8,703,596)
Total accumulated depreciation	<u>(17,277,149)</u>	<u>(1,003,854)</u>	<u>-</u>	<u>(18,281,003)</u>
Total capital assets, being depreciated, net	<u>15,664,100</u>	<u>(795,489)</u>	<u>-</u>	<u>14,868,611</u>
Business-type activities capital asset, net	<u>\$ 15,775,100</u>	<u>\$ (795,489)</u>	<u>\$ -</u>	<u>\$ 14,979,611</u>

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

<b>Business-Type Activities:</b>	
Water Fund	\$ 140,079
Sewer Fund	534,572
Combined Garbage / Compost Facility Fund	329,203
Total depreciation expense - business-type activities	<u>\$ 1,003,854</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6. Capital Assets, Continued**

Component unit capital asset activity for the year ended June 30, 2023 was as follows:

<b>Component Unit - Johnson Springs</b>	<b>Balance 06/30/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 06/30/23</b>
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	580,779	8,842	-	589,621
Utility system	5,316,197	-	-	5,316,197
Total capital assets, being depreciated	<u>13,145,544</u>	<u>8,842</u>	<u>-</u>	<u>13,154,386</u>
Less accumulated depreciation for:				
Buildings	(5,044,002)	(217,145)	-	(5,261,147)
Other improvements	(217,574)	(19,262)	-	(236,836)
Machinery and equipment	(456,372)	(24,340)	-	(480,712)
Water utility system	(2,289,115)	(133,213)	-	(2,422,328)
Total accumulated depreciation	<u>(8,007,063)</u>	<u>(393,960)</u>	<u>-</u>	<u>(8,401,023)</u>
Total capital assets, being depreciated, net	<u>5,138,481</u>	<u>(385,118)</u>	<u>-</u>	<u>4,753,363</u>
Johnson Springs component unit fund activities capital assets, net	<u>\$ 5,156,481</u>	<u>\$ (385,118)</u>	<u>\$ -</u>	<u>\$ 4,771,363</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7. Long-Term Liabilities**

The following is a summary of long-term liabilities for the year ended June 30, 2023:

<b>Long-Term Debt</b>	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2022	Additions	Retirements	June 30, 2023	Current Portion
<b>Governmental Activities</b>								
<i>Direct Placement Bonds Payable:</i>								
Medium Term Sales Tax Revenue Bond, Series 2009 (City Hall)	8/18/2009	4.38%	5,225,000	\$ 3,769,330	\$ -	\$ (151,597)	\$ 3,617,733	\$ 157,938
General Obligation Medium-Term Bonds, Series 2015	7/14/2015	2.26%	2,200,000	868,000	-	(250,000)	618,000	199,000
Consolidated Tax Revenue Interim Debenture Bond, Series 2022	3/30/2022	3.48%	8,906,800	855,253	160,445	-	1,015,698	1,015,698
Consolidated Tax Revenue Interim Debenture Bond, Series 2022	9/15/2022	4.57%	5,789,400	-	956,310	-	956,310	-
Total direct placement bonds payable				<u>5,492,583</u>	<u>1,116,755</u>	<u>(401,597)</u>	<u>6,207,741</u>	<u>1,372,636</u>
Total Bonds Payable				<u>5,492,583</u>	<u>1,116,755</u>	<u>(401,597)</u>	<u>6,207,741</u>	<u>1,372,636</u>
<b>Other Liabilities</b>								
Compensated absences				346,167	272,790	(287,926)	331,031	288,000
Net pension liability				4,345,361	5,024,790	(540,958)	8,829,193	-
Total governmental long-term liabilities				<u>\$ 10,184,111</u>	<u>\$ 6,414,335</u>	<u>\$ (1,230,481)</u>	<u>\$ 15,367,965</u>	<u>\$ 1,660,636</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, 2023**

**NOTE 7. Long-Term Liabilities, continued**

<b>Long-Term Debt</b>	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2022	Additions	Retirements	June 30, 2023	Current Portion
<b>Business-Type Activities</b>								
<i>Public Offerings Bonds:</i>								
Waste Water Treatment Plant Revenue Bond	6/1/2012	2.75%	2,637,000	2,194,235	-	(49,117)	2,145,118	50,323
Total business-type public offering bonds payable				<u>2,194,235</u>	<u>-</u>	<u>(49,117)</u>	<u>2,145,118</u>	<u>50,323</u>
<i>Direct Placement Bonds Payable:</i>								
General Obligation Limited Tax Water Bonds, Series 2019	8/15/2019	2.16%	2,173,729	1,930,739		(98,552)	1,832,187	100,692
General Obligation Limited Tax Medium-Term, Series 2014	6/17/2017	2.43%	2,100,000	496,000	-	(243,000)	253,000	253,000
Water Revenue Bonds, Series 2015	10/8/2015	2.63%	747,000	671,946	-	(12,725)	659,221	13,016
Total business-type direct placement bonds payable				<u>3,098,685</u>	<u>-</u>	<u>(354,277)</u>	<u>2,744,408</u>	<u>366,708</u>
Total business-type long-term debt				<u>5,292,920</u>	<u>-</u>	<u>(403,394)</u>	<u>4,889,526</u>	<u>417,031</u>
<b>Notes payable:</b>								
2019 Hook Lift - Compost/Garbage	9/19/2019	2.36%	464,990	239,032		(93,933)	145,099	96,164
2018 Caterpillar Wheel Loader Compost	1/18/2018	4.20%	231,738	73,858	-	(73,858)	-	-
Total Capital Lease Payable				<u>312,890</u>	<u>-</u>	<u>(167,791)</u>	<u>145,099</u>	<u>96,164</u>
<b>Other Liabilities</b>								
Net pension liability				971,025	1,190,103	(124,087)	2,037,041	-
Compensated absences				23,307	21,688	(19,386)	25,609	25,609
Total business-type long-term liabilities				<u>\$ 6,600,142</u>	<u>\$ 1,211,791</u>	<u>\$ (714,658)</u>	<u>\$ 7,097,275</u>	<u>\$ 538,804</u>
<b>Component Unit</b>								
<b>Johnson Springs</b>								
<b>Other Liabilities</b>								
Net pension liability				73,348	60,673	(7,737)	126,284	-
Compensated absences				10,144	8,084	(7,945)	10,283	10,283
Total Component Unit long-term liabilities				<u>\$ 83,492</u>	<u>\$ 68,757</u>	<u>\$ (15,682)</u>	<u>\$ 136,567</u>	<u>\$ 10,283</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

**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, 2023:

Year Ending June 30,	Governmental Activities		Business-Type Activities			
	Direct Placement Bonds		Public Offering Bonds		Direct Placement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	1,372,636	167,280	50,323	58,641	366,708	62,406
2025	1,327,724	155,228	51,880	57,084	116,287	53,680
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	188,227	125,273	56,183	52,781	124,188	45,779
2029-2033	1,076,448	490,961	305,844	238,977	663,878	185,956
2034-2038	1,318,382	222,993	350,776	194,044	741,235	108,599
2039-2043	358,015	8,826	402,314	142,506	171,026	50,037
2044-2048	-	-	461,395	84,648	116,143	35,057
2049-2053	-	-	358,279	18,581	132,409	18,791
2054-2058	-	-	-	-	72,134	2,605
2059-2063	-	-	-	-	-	-
Total Principal	<u>\$ 6,207,741</u>	<u>\$ 1,446,659</u>	<u>\$ 2,145,118</u>	<u>\$ 957,066</u>	<u>\$ 2,744,408</u>	<u>\$ 662,444</u>

The City’s outstanding bonds from direct placements of \$8,952,149 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, 2023.

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 8. Leases**

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**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 \$25,037 in lease revenue and \$3,837 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$34,239. 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, 2023, the balance of the deferred inflow of resources was \$34,239.

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**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 9. Segment Information**

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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.

	06/30/23
Operating revenues	\$ 666,912
Depreciation and amortization	(393,960)
Operating expenses	(448,125)
Nonoperating revenues and (expenses)	47,638
Beginning net position	3,717,054
Ending net position	3,589,519
Total assets	5,588,355
Total deferred outflows	46,264
Due to primary government	1,854,605
Bonds and other long term debt obligations	126,284
Total deferred inflows	3,345
Net Position	
Net investment in capital assets	2,916,758
Unrestricted	672,761
Total Net Position	\$ 3,589,519

Condensed Statement of Cash Flows

Net cash flows from:	
Operating activities	\$ 247,048
Noncapital financing activities	(45,442)
Capital and related financing activities	(55,236)
Investing activities	44,616
Net Increase (decrease)	\$ 190,986
Beginning cash and cash equivalents	559,602
Ending cash and cash equivalents	\$ 750,588

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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

As of June 30, 2023, interfund receivables and payables that resulted from transactions between the primary government and the component unit were as follows:

	<u>Due from Component Unit</u>	<u>Due to Primary Government</u>	
Water Fund:			
Interest receivable	\$ 22,418	\$ -	
Debt repayment receivable	1,832,187	-	
Component Unit			
Interest payable	-	22,418	
Debt repayment payable	-	1,832,187	
Total	<u>\$ 1,854,605</u>	<u>\$ 1,854,605</u>	

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, 2023 are as follows:

	<b>Transfers out:</b>			<u>Total Transfers in</u>
	<u>General</u>	Non-major		
		<u>Grants Fund</u>	<u>Ad Valorem Capital Projects</u>	
<b>Transfer in:</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	-	2,870,346	50,000	2,920,346
Nonmajor Governmental Funds				
Welcome Center Fund	110,000	-	-	110,000
Wendover Will Landmark Fund	80,246	-	-	80,246
Community Service and Local School	85,505	-	-	85,505
Proprietary Fund				
Health Insurance Internal Service	182,200	-	-	182,200
Total transfers out	<u>\$ 457,951</u>	<u>\$ 2,870,346</u>	<u>\$ 50,000</u>	<u>\$ 3,378,297</u>

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

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 11.      Deferred Compensation Plan**

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

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

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**NOTE 12.      Room Taxes**

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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, 2023 this amount was held as restricted in the Recreation Fund.

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**NOTE 13.      Commitments and Contingent Liabilities**

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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, 2023**

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**NOTE 14. Available Borrowing Capacity**

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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, 2023, the general obligation debt limit and available borrowing capacity of the City of West Wendover was \$44,197,808.

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**NOTE 15. Closure and Post-Closure Care Cost**

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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 \$709,374 as of June 30, 2023. The City had two cells in operation during fiscal year 2023. 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 2023. The City maintained an insurance policy with a face amount of \$548,582 at June 30, 2023. Additional financial assurance for closure and post-closure costs is accomplished by the City restricting \$165,000 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, 2023**

**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, 2023. 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 payouts 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
2023	\$ -	\$ 1,600,842	\$ 1,600,842	\$ -
2022	\$ -	\$ 840,018	\$ 840,018	\$ -
2021	\$ -	\$ 671,729	\$ 671,729	\$ -

**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, 2023**

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**NOTE 17. Retirement and Pension Plans, Continued**

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***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, 2023**

**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, 1899, and 2023, the Statutory Employer/employee matching rate was 15.25% and 15.25% for Regular and 22.00% and 22.00% for Police/Fire.

For the fiscal year ended June 30, 1899, and 2023, the Employer-Pay Contribution (EPC) rate was 29.25% and 29.25% for Regular and 42.50% and 42.50% for Police/Fire.

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

Year Ended June 30,	Regular Fund	Police/Fire Fund
2021	252,184	366,421
2022	270,157	399,559
2023	271,684	401,819

**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

**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, 1899:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Geometric Expected Real Rate of Return*</b>
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, 1899, PERS' long-term inflation assumption was 2.50%.

**Pension liability**

***Net pension liability***

At June 30, 2023, the City reported a liability of \$10,992,518 for its proportionate share of the PERS' net pension liability. The net pension liability was measured as of June 30, 1899, 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, 1899. The City's proportion measured as of June 30, 1899, was 0.060880 percent, which was an increase of 0.001789 percent from its proportion measured as of June 30, .

***Pension liability discount rate sensitivity***

The following presents the net pension liability of the PERS as of June 30, 2023, 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:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of Net pension (asset) / liability	\$ 16,877,111	\$ 10,992,518	\$ 6,136,846



**CITY OF WEST WENDOVER, NEVADA**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**NOTE 17. Retirement and Pension Plans, Continued**

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***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](http://www.nvpers.org).

***Actuarial assumptions***

The City's net pension liability was measured as of June 30, 1899, 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	2.50%
Investment rate of return	7.25%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 1899 funding actuarial valuation

Actuarial assumptions used in the June 30, 1899 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, 1899. 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, 1899.

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

For the year ended June 30, 2023, the City recognized pension expense for PERS of \$347,029. At June 30, 2023, 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, 2023**

**NOTE 17. Retirement and Pension Plans, Continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,423,349	\$ 7,853
Changes in assumptions	1,412,066	-
Net difference between projected and actual earnings on pension plan investments	134,116	-
Subtotal	2,969,531	7,853
Changes in proportion and differences between contributions and proportional share of contributions	384,037	283,336
Contributions subsequent to the measurement date	673,503	-
Total	\$ 4,027,071	\$ 291,189
Governmental activities	\$ 3,234,544	\$ 233,883
Business-type activities	746,263	53,961
Component unit	46,264	3,345
	\$ 4,027,071	\$ 291,189

Average expected remaining service lives 5.70 years

The \$673,503 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
2024	\$ 454,319
2025	431,176
2026	384,969
2027	1,489,542
2028	201,672
2029	-
Thereafter	-

## **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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Property taxes</b>					
Ad valorem	\$ 1,585,979	\$ 1,585,979	\$ 1,589,200	\$ 3,221	\$ 1,335,220
Personal property	284,056	284,056	279,059	(4,997)	256,913
Central assessments	23,671	23,671	26,936	3,265	22,848
Total property taxes	<u>1,893,706</u>	<u>1,893,706</u>	<u>1,895,195</u>	<u>1,489</u>	<u>1,614,981</u>
<b>Licenses and permits</b>					
Liquor licenses	150	150	120	(30)	240
City gaming licenses	207,000	207,000	208,536	1,536	212,598
Animal licenses	1,000	1,000	100	(900)	936
Business licenses	17,000	18,500	18,402	(98)	17,500
Right of way toll	265,200	265,200	256,719	(8,481)	256,628
Building permits	80,000	30,000	29,337	(663)	109,846
Special permits and fees	1,101,600	811,500	805,475	(6,025)	944,032
Franchise fees	380,000	380,000	390,033	10,033	393,399
Carlines taxes	100	100	111	11	86
Total licenses and permits	<u>2,052,050</u>	<u>1,713,450</u>	<u>1,708,833</u>	<u>(4,617)</u>	<u>1,935,265</u>
<b>Intergovernmental revenue</b>					
State consolidated revenue	3,564,890	3,564,890	3,524,220	(40,670)	3,431,645
1.75 cent gas tax	36,150	36,150	33,368	(2,782)	31,561
2.35 cent gas tax	49,480	49,480	48,942	(538)	48,116
County road tax	27,640	27,640	25,588	(2,052)	26,487
County transportation funds	170,000	199,000	199,000	-	187,000
County gaming tax	440,000	440,000	387,214	(52,786)	438,278
Federal/state grants	139,417	139,417	147,415	7,998	841,314
Infrastructure tax	75,000	75,000	75,934	934	75,591
Marijuana revenue disbursement	4,560	4,560	4,586	26	4,560
Reimbursement from Elko County	261,910	261,910	266,391	4,481	179,125
Total intergovernmental revenue	<u>4,769,047</u>	<u>4,798,047</u>	<u>4,712,658</u>	<u>(85,389)</u>	<u>5,263,677</u>
<b>Charges for services</b>					
Special police services	1,200	1,750	1,808	58	926
Work cards	16,000	16,000	17,151	1,151	15,629
Special fire protection services	10,000	28,000	22,194	(5,806)	9,873
Dispatch fees	7,584	7,584	7,584	-	7,584
Animal shelter fees	1,500	5,000	5,389	389	2,876
Pipeline administrative services	1,900	1,900	3,800	1,900	-
Miscellaneous	15,506	15,506	14,606	(900)	11,558
Total general	<u>53,690</u>	<u>75,740</u>	<u>72,532</u>	<u>(3,208)</u>	<u>48,446</u>
<b>Fines and forfeitures</b>					
Fines and fees	40,350	43,350	46,078	2,728	49,720
Total fines and forfeitures	<u>40,350</u>	<u>43,350</u>	<u>46,078</u>	<u>2,728</u>	<u>49,720</u>
<b>Miscellaneous</b>					
Interest	1,000	358,000	372,613	14,613	5,700
Donations	166,000	166,000	178,911	12,911	173,100
Rents and royalties	29,500	37,000	36,717	(283)	27,920
Miscellaneous	6,000	17,000	19,780	2,780	(1,450)
Total miscellaneous	<u>202,500</u>	<u>578,000</u>	<u>608,021</u>	<u>30,021</u>	<u>205,270</u>
Total revenues	<u>9,011,343</u>	<u>9,102,293</u>	<u>9,043,317</u>	<u>(58,976)</u>	<u>9,117,359</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended ), Continued**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Expenditures</b>					
<b>General government</b>					
Administration and finance					
Salaries and wages	469,092	521,153	454,929	66,224	474,327
Employee benefits	228,093	255,068	213,284	41,784	218,751
Services and supplies	512,950	631,950	597,226	34,724	477,003
Total administration and finance	<u>1,210,135</u>	<u>1,408,171</u>	<u>1,265,439</u>	<u>142,732</u>	<u>1,170,081</u>
Elections					
Services and supplies	5,000	5,000	1,213	3,787	-
Total general government	<u>1,215,135</u>	<u>1,413,171</u>	<u>1,266,652</u>	<u>146,519</u>	<u>1,170,081</u>
<b>Judicial</b>					
Municipal court					
Salaries and wages	287,589	293,373	290,155	3,218	233,909
Employee benefits	171,615	173,242	152,108	21,134	123,750
Services and supplies	78,650	70,530	68,013	2,517	60,303
Capital outlay	-	4,114	4,114	-	64,762
Total judicial	<u>537,854</u>	<u>541,259</u>	<u>514,390</u>	<u>26,869</u>	<u>482,724</u>
<b>Public safety</b>					
Police					
Salaries and wages	1,383,994	1,383,994	1,269,158	114,836	1,236,980
Employee benefits	856,537	864,703	795,467	69,236	764,521
Services and supplies	300,300	302,050	290,975	11,075	300,112
Capital outlay	171,700	308,500	306,030	2,470	18,919
Total police department	<u>2,712,531</u>	<u>2,859,247</u>	<u>2,661,630</u>	<u>197,617</u>	<u>2,320,532</u>
Fire					
Salaries and wages	440,504	440,504	442,367	(1,863)	420,742
Employee benefits	265,180	280,552	269,990	10,562	249,232
Services and supplies	122,100	136,000	121,706	14,294	114,324
Total fire department	<u>827,784</u>	<u>857,056</u>	<u>834,063</u>	<u>22,993</u>	<u>784,298</u>
Dispatch center					
Salaries and wages	349,742	349,742	301,495	48,247	300,138
Employee benefits	192,375	192,375	161,341	31,034	166,281
Services and supplies	49,950	45,425	41,571	3,854	28,466
Total dispatch center	<u>592,067</u>	<u>587,542</u>	<u>504,407</u>	<u>83,135</u>	<u>494,885</u>
Total public safety	<u>4,132,382</u>	<u>4,303,845</u>	<u>4,000,100</u>	<u>303,745</u>	<u>3,599,715</u>
<b>Public works</b>					
Paved streets					
Salaries and wages	72,037	72,037	27,417	44,620	35,186
Employee benefits	37,411	37,411	14,572	22,839	17,978
Services and supplies	181,300	178,800	149,747	29,053	156,016
Total paved streets	<u>290,748</u>	<u>288,248</u>	<u>191,736</u>	<u>96,512</u>	<u>209,180</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended ), Continued**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>General</b>					
Salaries and wages	259,334	286,008	201,173	84,835	214,480
Employee benefits	134,678	170,646	116,399	54,247	113,187
Services and supplies	55,300	56,800	32,144	24,656	34,548
Total general	<u>449,312</u>	<u>513,454</u>	<u>349,716</u>	<u>163,738</u>	<u>362,215</u>
Total public works	<u>740,060</u>	<u>801,702</u>	<u>541,452</u>	<u>260,250</u>	<u>571,395</u>
<b>Community development</b>					
Salaries and wages	198,434	198,434	149,834	48,600	143,992
Employee benefits	96,267	96,267	67,913	28,354	64,874
Services and supplies	207,700	181,200	97,124	84,076	85,734
Total community development	<u>502,401</u>	<u>475,901</u>	<u>314,871</u>	<u>161,030</u>	<u>294,600</u>
<b>Health</b>					
Public health services					
Services and supplies	<u>33,500</u>	<u>33,500</u>	<u>28,588</u>	<u>4,912</u>	<u>10,269</u>
Animal control					
Salaries and wages	66,036	68,246	66,194	2,052	64,249
Employee benefits	38,879	40,133	34,057	6,076	32,668
Services and supplies	22,200	23,950	19,577	4,373	19,013
Total animal control	<u>127,115</u>	<u>132,329</u>	<u>119,828</u>	<u>17,413</u>	<u>115,930</u>
Total health	<u>160,615</u>	<u>165,829</u>	<u>148,416</u>	<u>22,325</u>	<u>126,199</u>
<b>Culture and recreation</b>					
Library service					
Services and supplies	<u>22,000</u>	<u>25,000</u>	<u>17,748</u>	<u>7,252</u>	<u>15,522</u>
Total culture and recreation	<u>22,000</u>	<u>25,000</u>	<u>17,748</u>	<u>7,252</u>	<u>15,522</u>
<b>Community support</b>					
Miscellaneous					
Services and supplies	<u>31,000</u>	<u>31,000</u>	<u>25,733</u>	<u>5,267</u>	<u>39,148</u>
Total community support	<u>31,000</u>	<u>31,000</u>	<u>25,733</u>	<u>5,267</u>	<u>39,148</u>
<b>Debt services</b>	<u>55,622</u>	<u>55,622</u>	<u>55,622</u>	<u>-</u>	<u>55,853</u>
Total expenditures	<u>7,397,069</u>	<u>7,813,329</u>	<u>6,884,984</u>	<u>933,257</u>	<u>6,355,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,614,274</u>	<u>1,288,964</u>	<u>2,158,333</u>	<u>(869,369)</u>	<u>2,762,122</u>
<b>Other financing sources (uses)</b>					
Transfers out	<u>(1,866,672)</u>	<u>(798,636)</u>	<u>(457,951)</u>	<u>340,685</u>	<u>(1,572,003)</u>
Total other financing sources and uses	<u>(1,866,672)</u>	<u>(798,636)</u>	<u>(457,951)</u>	<u>340,685</u>	<u>(1,572,003)</u>
Net change in fund balance	<u>(252,398)</u>	<u>490,328</u>	<u>1,700,382</u>	<u>1,210,054</u>	<u>1,190,119</u>
Fund balance, beginning of year	4,114,217	5,011,874	5,011,874	-	3,743,833
Restatement adjustment	-	-	-	-	77,922
<b>Fund balance, end of year</b>	<u>\$ 3,861,819</u>	<u>\$ 5,502,202</u>	<u>\$ 6,712,256</u>	<u>\$ 1,210,054</u>	<u>\$ 5,011,874</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Recreation Fund**  
**Detailed Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2023**  
**(With Comparative Actual Amounts for the Year Ended ), Continued**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Taxes</b>					
Room taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,848,971	\$ 148,971	\$ 1,967,604
Total taxes	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,848,971</u>	<u>148,971</u>	<u>1,967,604</u>
<b>Intergovernmental</b>					
Grant revenue	-	-	-	-	503,730
Total intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>503,730</u>
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,848,971</u>	<u>148,971</u>	<u>2,471,334</u>
<b>Expenditures</b>					
<b>Culture and recreation</b>					
Room tax distribution	1,700,000	1,700,000	1,802,207	(102,207)	2,374,313
Total culture and recreation	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,802,207</u>	<u>(102,207)</u>	<u>2,374,313</u>
Total expenditures	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,802,207</u>	<u>(102,207)</u>	<u>2,374,313</u>
Net change in fund balance	-	-	46,764	46,764	97,021
Fund balance, beginning of year	226,569	260,624	260,624	-	163,603
<b>Fund balance, end of year</b>	<u>\$ 226,569</u>	<u>\$ 260,624</u>	<u>\$ 307,388</u>	<u>\$ 46,764</u>	<u>\$ 260,624</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System of Nevada**  
**June 30, 2023**  
**Last 10 Fiscal Years**

	<b>2023</b> <b>(2022)</b>	<b>2022</b> <b>(2021)</b>	<b>2021</b> <b>(2020)</b>	<b>2020</b> <b>(2019)</b>	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	<b>2017</b> <b>(2016)</b>	<b>2016</b> <b>(2015)</b>	<b>2015</b> <b>(2014)</b>
Proportion of the net pension liability (asset)	0.060880%	0.059100%	0.058200%	0.056610%	0.062480%	0.062300%	0.063600%	0.059820%	0.068384%
Proportionate share of the net pension liability (asset)	\$ 10,992,518	\$ 5,389,734	\$ 8,106,010	\$ 7,719,816	\$ 8,521,101	\$ 8,286,307	\$ 8,558,081	\$ 6,854,700	\$ 6,653,165
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
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	285.23%	147.66%	224.90%	227.44%	256.09%	241.58%	255.05%	231.46%	213.67%
Plan fiduciary net position as a percentage of the total pension liability	75.1%	86.5%	77.0%	76.5%	75.2%	74.4%	72.2%	75.1%	76.30%

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, 2023**  
**Last 10 Fiscal Years**

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 673,503	669,716	\$ 618,605	\$ 610,996	0	\$ 545,004	\$ 579,653	\$ 559,234	\$ 539,193	\$ 461,652
Contributions in relation to the contractually required contribution	\$ (673,503)	\$ (669,716)	\$ (618,605)	\$ (610,996)	\$ (545,004)	\$ (579,653)	\$ (559,234)	\$ (539,193)	\$ (461,652)	\$ (461,652)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,864,988	\$3,853,857	\$ 3,650,188	\$ 3,604,289	\$ 3,394,178	\$ 3,327,353	\$ 3,429,997	\$ 3,355,482	\$ 2,961,477	\$ 2,961,477
Contributions as a percentage of covered-employee payroll	17.43%	17.38%	16.95%	16.95%	16.06%	17.42%	16.30%	16.07%	15.59%	15.59%

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

## 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, 2023**  
**(With Comparative Actual Amounts for the Year Ended June 30, 1899)**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Intergovernmental</b>					
Federal grants	\$ 1,509,545	\$ 1,474,461	\$ 208,901	\$ (1,265,560)	\$ 205,511
Total intergovernmental	<u>1,509,545</u>	<u>1,474,461</u>	<u>208,901</u>	<u>(1,265,560)</u>	<u>205,511</u>
<b>Miscellaneous</b>					
Interest income	500	1,250	1,368	118	124
Donations	200,000	520,000	400,000	(120,000)	-
Miscellaneous	2,500	2,500	-	(2,500)	30,007
Sale of capital assets	-	234,000	-	(234,000)	42,300
Total miscellaneous	<u>203,000</u>	<u>757,750</u>	<u>401,368</u>	<u>(356,382)</u>	<u>72,431</u>
Total revenues	<u>1,712,545</u>	<u>2,232,211</u>	<u>610,269</u>	<u>(1,621,942)</u>	<u>277,942</u>
<b>Expenditures</b>					
<b>General government</b>					
Capital outlay	14,525,705	15,702,003	3,488,766	12,213,237	1,844,895
Total general government	<u>14,525,705</u>	<u>15,702,003</u>	<u>3,488,766</u>	<u>12,213,237</u>	<u>1,844,895</u>
<b>Debt service</b>					
Debt service - principal	346,597	346,597	346,597	-	332,119
Debt service - interest	254,665	400,000	220,229	179,771	188,868
Total debt service	<u>601,262</u>	<u>746,597</u>	<u>566,826</u>	<u>179,771</u>	<u>520,987</u>
Total expenditures	<u>15,126,967</u>	<u>16,448,600</u>	<u>4,055,592</u>	<u>12,393,008</u>	<u>2,365,882</u>
Excess of revenues over (under) expenditures	<u>(13,414,422)</u>	<u>(14,216,389)</u>	<u>(3,445,323)</u>	<u>10,771,066</u>	<u>(2,087,940)</u>
<b>Other financing sources (uses)</b>					
Debt proceeds	11,811,255	13,840,947	1,116,755	(12,724,192)	855,253
Transfers in	1,603,167	375,442	2,920,346	2,544,904	1,432,000
Total other financing sources	<u>13,414,422</u>	<u>14,216,389</u>	<u>4,037,101</u>	<u>(10,179,288)</u>	<u>2,287,253</u>
Net change in fund balance	-	-	591,778	591,778	199,313
Fund balance, beginning of year	<u>314,781</u>	<u>583,274</u>	<u>583,274</u>	<u>-</u>	<u>383,961</u>
<b>Fund balance, end of year</b>	<u>\$ 314,781</u>	<u>\$ 583,274</u>	<u>\$ 1,175,053</u>	<u>\$ 591,779</u>	<u>\$ 583,274</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>Special Revenue</u>					<u>Capital Project</u>	<u>Total</u>	
	<u>Seizure Forfeiture Fund</u>	<u>Court Administrative Assessment Fund</u>	<u>Welcome Center Fund</u>	<u>Wendover Will Landmark Fund</u>	<u>Community Services and Local School Fund</u>	<u>Grant Fund</u>	<u>Ad Valorem Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>
<b>Assets</b>								
Cash and investments	\$ 19,439	\$ 74,284	\$ 57,205	\$ 663	\$ 515	\$ -	\$ 45,852	\$ 197,958
Due from other governments	-	-	-	-	-	-	8,404	8,404
Inventory	-	-	1,032	-	-	-	-	1,032
Total assets	<u>\$ 19,439</u>	<u>\$ 74,284</u>	<u>\$ 58,237</u>	<u>\$ 663</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 54,256</u>	<u>\$ 207,394</u>
<b>Liabilities</b>								
Accounts payable	\$ 15,652	\$ -	\$ 1,817	\$ 663	\$ -	\$ -	\$ -	\$ 18,132
Total liabilities	<u>15,652</u>	<u>-</u>	<u>1,817</u>	<u>663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,132</u>
<b>Fund Balances</b>								
Nonspendable	-	-	1,032	-	-	-	-	1,032
Restricted	3,787	74,284	55,388	-	-	-	54,256	187,715
Committed	-	-	-	-	515	-	-	515
Total fund balances	<u>3,787</u>	<u>74,284</u>	<u>56,420</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>54,256</u>	<u>189,262</u>
Total liabilities and fund balances	<u>\$ 19,439</u>	<u>\$ 74,284</u>	<u>\$ 58,237</u>	<u>\$ 663</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 54,256</u>	<u>\$ 207,394</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, 2023**

	<u>Special Revenue</u>					<u>Capital Project</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Seizure Forfeiture Fund</u>	<u>Court Administrative Assessment Fund</u>	<u>Welcome Center Fund</u>	<u>Wendover Will Landmark Fund</u>	<u>Community Services and Local School Fund</u>	<u>Grant Fund</u>	<u>Ad Valorem Capital Projects Fund</u>	
<b>Revenues</b>								
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,132	\$ 50,132
Intergovernmental	-	-	113,950	-	-	2,870,346	-	2,984,296
Charges for services	-	8,013	-	-	-	-	-	8,013
Miscellaneous	-	270	1,147	460	-	-	-	1,877
Total revenues	<u>-</u>	<u>8,283</u>	<u>115,097</u>	<u>460</u>	<u>-</u>	<u>2,870,346</u>	<u>50,132</u>	<u>3,044,318</u>
<b>Expenditures</b>								
Judicial	-	3,861	-	-	-	-	-	3,861
Community support	-	-	199,622	98,418	85,000	-	-	383,040
Total expenditures	<u>-</u>	<u>3,861</u>	<u>199,622</u>	<u>98,418</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>386,901</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>4,422</u>	<u>(84,525)</u>	<u>(97,958)</u>	<u>(85,000)</u>	<u>2,870,346</u>	<u>50,132</u>	<u>2,657,417</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	-	110,000	80,246	85,505	-	-	275,751
Transfers out	-	-	-	-	-	(2,870,346)	(50,000)	(2,920,346)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>80,246</u>	<u>85,505</u>	<u>(2,870,346)</u>	<u>(50,000)</u>	<u>(2,644,595)</u>
Net change in fund balances	<u>-</u>	<u>4,422</u>	<u>25,475</u>	<u>(17,712)</u>	<u>505</u>	<u>-</u>	<u>132</u>	<u>12,822</u>
Fund balances, beginning of year	<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>
Fund balances, end of year	<u>\$ 3,787</u>	<u>\$ 74,284</u>	<u>\$ 56,420</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ 54,256</u>	<u>\$ 189,262</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Seizure Forfeiture Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

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	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning of year	3,787	3,787	3,787	-	3,787
<b>Fund balance, end of year</b>	<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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Charges for services</b>					
Court assessments	\$ 8,500	\$ 8,500	\$ 8,013	\$ (487)	\$ 5,733
Total charges for services	<u>8,500</u>	<u>8,500</u>	<u>8,013</u>	<u>(487)</u>	<u>5,733</u>
<b>Intergovernmental</b>					
Grant revenue	-	-	-	-	2,152
Total intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,152</u>
<b>Miscellaneous</b>					
Interest	300	300	270	(30)	28
Total miscellaneous	<u>300</u>	<u>300</u>	<u>270</u>	<u>(30)</u>	<u>28</u>
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>8,283</u>	<u>(517)</u>	<u>7,913</u>
<b>Expenditures</b>					
<b>Judicial</b>					
Services and supplies	2,000	2,500	510	1,990	1,930
Capital outlay	<u>3,000</u>	<u>4,000</u>	<u>3,351</u>	<u>649</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>6,500</u>	<u>3,861</u>	<u>2,639</u>	<u>1,930</u>
Net change in fund balance	3,800	2,300	4,422	(3,156)	5,983
Fund balance, beginning of year	<u>64,031</u>	<u>69,862</u>	<u>69,862</u>	<u>-</u>	<u>63,879</u>
<b>Fund balance, end of year</b>	<u>\$ 67,831</u>	<u>\$ 72,162</u>	<u>\$ 74,284</u>	<u>\$ 2,122</u>	<u>\$ 69,862</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Intergovernmental</b>					
Operating grants	\$ 50,000	\$ 59,000	\$ 43,950	\$ (15,050)	\$ 22,000
Elko county recreation board	70,000	70,000	70,000	-	50,000
Grant Revenue	-	-	-	-	48,012
Total intergovernmental	<u>120,000</u>	<u>129,000</u>	<u>113,950</u>	<u>(15,050)</u>	<u>120,012</u>
<b>Miscellaneous</b>					
Merchandise sales	2,500	1,500	1,147	(353)	1,860
Total miscellaneous	<u>2,500</u>	<u>1,500</u>	<u>1,147</u>	<u>(353)</u>	<u>1,860</u>
Total revenues	<u>122,500</u>	<u>130,500</u>	<u>115,097</u>	<u>(15,403)</u>	<u>121,872</u>
<b>Expenditures</b>					
<b>Community support</b>					
Salaries and wages	116,272	116,272	74,551	41,721	110,351
Employee benefits	63,762	63,762	41,256	22,506	60,858
Services and supplies	46,500	46,000	26,598	19,402	27,854
Capital outlay	100,000	100,000	57,217	42,783	63,494
Total expenditures	<u>326,534</u>	<u>326,034</u>	<u>199,622</u>	<u>126,412</u>	<u>262,557</u>
Excess of revenues over (under) expenditures	<u>(204,034)</u>	<u>(195,534)</u>	<u>(84,525)</u>	<u>111,009</u>	<u>(140,685)</u>
<b>Other financing sources</b>					
Transfers in	205,000	205,000	110,000	(95,000)	154,000
Net change in fund balance	966	9,466	25,475	16,009	13,315
Fund balance, beginning of year	17,630	30,945	30,945	-	17,630
<b>Fund balance, end of year</b>	<u>\$ 18,596</u>	<u>\$ 40,411</u>	<u>\$ 56,420</u>	<u>\$ 16,009</u>	<u>\$ 30,945</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Intergovernmental</b>					
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ 4,803
Total intergovernmental	-	-	-	-	4,803
<b>Miscellaneous</b>					
Merchandise sales	150	150	26	(124)	17
Interest revenue	50	450	434	(16)	420
Total miscellaneous	200	600	460	(140)	437
Total revenues	200	600	460	(140)	5,240
<b>Expenditures</b>					
<b>Community Support</b>					
Services and supplies	23,000	201,000	98,418	102,582	20,078
Total expenditures	23,000	201,000	98,418	102,582	20,078
Excess of revenues over (under) expenditures	(22,800)	(200,400)	(97,958)	102,442	(14,838)
<b>Other financing sources</b>					
Transfers in	23,000	182,688	80,246	(102,442)	18,100
Net change in fund balance	200	(17,712)	(17,712)	-	3,262
Fund balance, beginning of year	14,552	17,712	17,712	-	14,450
<b>Fund balance, end of year</b>	<b>\$ 14,752</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,712</b>

**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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Intergovernmental</b>					
Grant revenue	\$ 2,870,346	\$ 2,870,346	\$ 2,870,346	\$ -	\$ -
Total intergovernmental	<u>2,870,346</u>	<u>2,870,346</u>	<u>2,870,346</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,870,346</u>	<u>2,870,346</u>	<u>2,870,346</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
<b>Public safety</b>					
Services and supplies	2,870,346	2,870,346	-	2,870,346	-
Total public safety	<u>2,870,346</u>	<u>2,870,346</u>	<u>-</u>	<u>2,870,346</u>	<u>-</u>
Total expenditures	<u>2,870,346</u>	<u>2,870,346</u>	<u>-</u>	<u>2,870,346</u>	<u>-</u>
<b>Other financing sources (uses)</b>					
Transfers out	-	-	(2,870,346)	(2,870,346)	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(2,870,346)</u>	<u>(2,870,346)</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
Total revenues	\$ -	\$ 85,505	\$ -	\$ -	\$ -
<b>Expenditures</b>					
<b>Community Support</b>					
Services and supplies	-	85,505	85,000	505	29,201
Total expenditures	-	85,505	85,000	505	29,201
Excess of revenues over (under) expenditures	-	-	(85,000)	(85,000)	(29,201)
<b>Other financing sources</b>					
Transfers in	85,505	-	85,505	85,505	29,211
Transfers out	-	-	-	-	-
Net change in fund balance	85,505	-	505	505	10
Fund balance, beginning of year	-	10	10	-	-
<b>Fund balance, end of year</b>	<u>\$ 85,505</u>	<u>\$ 10</u>	<u>\$ 515</u>	<u>\$ 505</u>	<u>\$ 10</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Revenues</b>					
<b>Intergovernmental</b>					
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ 11,308
Total intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,308</u>
<b>Other taxes</b>					
Ad valorem tax	50,000	50,000	50,132	132	59,564
Total other taxes	<u>50,000</u>	<u>50,000</u>	<u>50,132</u>	<u>132</u>	<u>59,564</u>
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,132</u>	<u>132</u>	<u>70,872</u>
<b>Expenditures</b>					
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,132</u>	<u>132</u>	<u>70,872</u>
<b>Other financing sources (uses)</b>					
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(61,308)</u>
Net change in fund balance	-	-	132	132	9,564
Fund balance, beginning of year	<u>44,561</u>	<u>54,124</u>	<u>54,124</u>	<u>-</u>	<u>44,560</u>
<b>Fund balance, end of year</b>	<u>\$ 44,561</u>	<u>\$ 54,124</u>	<u>\$ 54,256</u>	<u>\$ 132</u>	<u>\$ 54,124</u>

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**MAJOR BUSINESS-TYPE FUNDS**

**CITY OF WEST WENDOVER, NEVADA**  
**Water Fund**  
**Schedule of Revenues, Expenditures, and Changes in Net Position**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Operating revenues</b>					
Charges for services	\$ 1,385,700	\$ 1,385,700	\$ 1,233,220	\$ (152,480)	\$ 1,340,630
Total operating revenues	<u>1,385,700</u>	<u>1,385,700</u>	<u>1,233,220</u>	<u>(152,480)</u>	<u>1,340,630</u>
<b>Operating expenses</b>					
Water purchases	638,000	638,000	525,101	112,899	567,230
Salaries and wages	204,204	248,532	226,800	21,732	240,323
Employee benefits	117,529	140,363	131,554	8,809	83,386
Services and supplies	376,213	412,113	365,781	46,332	315,645
Depreciation and amortization	143,000	143,000	140,078	2,922	138,038
Total operating expenses	<u>1,478,946</u>	<u>1,582,008</u>	<u>1,389,314</u>	<u>192,694</u>	<u>1,344,622</u>
Operating income	<u>(93,246)</u>	<u>(196,308)</u>	<u>(156,094)</u>	<u>40,214</u>	<u>(3,992)</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	46,894	51,394	51,583	189	49,145
Impact fees	110,000	110,000	19,062	(90,938)	25,159
Grant revenue	-	-	-	-	238,048
Long term debt proceeds	10,584	-	-	-	-
Miscellaneous income	13,000	13,000	7,033	(5,967)	13,831
Contributions from component unit for debt payments	-	105,344	10,584	(94,760)	10,584
Capital outlay	(1,000)	(4,200)	(4,117)	83	(953)
Interest expense	(62,787)	(62,787)	(62,787)	-	(68,674)
Total nonoperating revenues (expenses)	<u>116,691</u>	<u>212,751</u>	<u>21,358</u>	<u>(191,393)</u>	<u>267,140</u>
<b>Change in net position</b>	23,445	16,443	(134,736)	(151,179)	263,148
Total net position, beginning of year	3,875,537	3,875,537	3,875,537	-	3,612,389
<b>Total net position, end of year</b>	<u>\$ 3,898,982</u>	<u>\$ 3,891,980</u>	<u>\$ 3,740,801</u>	<u>\$ (151,179)</u>	<u>\$ 3,875,537</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Operating revenues</b>					
Charges for services:					
Charges for services	\$ 1,270,600	\$ 1,214,900	\$ 1,307,925	\$ 93,025	\$ 1,220,332
Total operating revenues	<u>1,270,600</u>	<u>1,214,900</u>	<u>1,307,925</u>	<u>93,025</u>	<u>1,220,332</u>
<b>Operating expenses</b>					
Salaries and wages	286,097	286,097	259,099	26,998	332,126
Employee benefits	166,042	166,043	151,102	14,941	130,003
Services and supplies	459,100	482,200	445,112	37,088	433,843
Capital outlay	-	-	-	-	-
Depreciation and amortization	555,500	555,500	534,571	20,929	544,653
Total operating expenses	<u>1,466,739</u>	<u>1,489,840</u>	<u>1,389,884</u>	<u>99,956</u>	<u>1,440,625</u>
Operating loss	<u>(196,139)</u>	<u>(274,940)</u>	<u>(81,959)</u>	<u>192,981</u>	<u>(220,293)</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	270	4,200	4,974	774	365
Impact fees	80,000	-	4,802	4,802	12,850
Grant revenue	-	-	-	-	816,491
Miscellaneous income	6,500	6,500	7,077	577	7,764
Interest expense	(63,824)	(63,824)	(63,824)	-	(66,239)
Total nonoperating revenues	<u>22,946</u>	<u>(53,124)</u>	<u>(46,971)</u>	<u>6,153</u>	<u>771,231</u>
<b>Change in net position</b>	<u>(173,193)</u>	<u>(328,064)</u>	<u>(128,930)</u>	<u>199,134</u>	<u>550,938</u>
Total net position, beginning of year	8,636,008	8,636,008	8,636,008	-	8,085,070
<b>Total net position, end of year</b>	<u>\$ 8,462,815</u>	<u>\$ 8,307,944</u>	<u>\$ 8,507,078</u>	<u>\$ 199,134</u>	<u>\$ 8,636,008</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, 2023**  
**(With Comparative Actual Amounts for the Year Ended )**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Operating revenues</b>					
Charges for services	\$ 1,530,900	\$ 1,619,400	\$ 1,759,725	\$ 140,325	\$ 1,767,009
Total operating revenues	<u>1,530,900</u>	<u>1,619,400</u>	<u>1,759,725</u>	<u>140,325</u>	<u>1,767,009</u>
<b>Operating expenses</b>					
Salaries and wages	449,484	468,531	415,177	53,354	291,040
Employee benefits	242,706	256,696	283,347	(26,651)	119,985
Services and supplies	286,238	437,438	298,512	138,926	240,628
Capital outlay	77,696	68,596	15,380	53,216	-
Depreciation and amortization	383,100	383,100	329,203	53,897	353,041
Total operating expenses	<u>1,439,224</u>	<u>1,614,361</u>	<u>1,341,619</u>	<u>272,742</u>	<u>1,004,694</u>
Operating income	<u>91,676</u>	<u>5,039</u>	<u>418,106</u>	<u>413,067</u>	<u>762,315</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	1,000	13,000	13,572	572	1,216
Grant revenue	-	-	-	-	307,203
Miscellaneous income	3,000	20,000	20,028	28	24,917
Interest expense	(12,169)	(12,169)	(12,170)	(1)	(16,766)
Total nonoperating expenses	<u>(8,169)</u>	<u>20,831</u>	<u>21,430</u>	<u>599</u>	<u>316,570</u>
<b>Change in net position</b>	83,507	25,870	439,536	413,666	1,078,885
Total net position, beginning of year	5,405,207	5,405,207	5,405,207	-	4,326,322
<b>Total net position, end of year</b>	<u>\$ 5,488,714</u>	<u>\$ 5,431,077</u>	<u>\$ 5,844,743</u>	<u>\$ 413,666</u>	<u>\$ 5,405,207</u>

**COMPONENT UNIT SUPPLEMENTARY SCHEDULES**

**CITY OF WEST WENDOVER, NEVADA**  
**Component Unit – Johnson Springs**  
**Statement of Net Position**  
**For the Year Ended June 30, 2023**

	<b>Johnson Springs</b>
<b>Assets</b>	
Current assets	
Cash and investments	\$ 750,588
Accounts receivable, net	51,351
Inventory	15,053
Total current assets	816,992
Noncurrent assets	
Capital assets:	
Land	18,000
Buildings	6,836,936
Improvements other than buildings	411,632
Machinery and equipment	578,160
Vehicles	11,461
Utility system	5,316,197
Less accumulated depreciation	(8,401,023)
Total noncurrent assets	4,771,363
Total assets	\$ 5,588,355
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	46,264
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 48,896
Accrued liabilities	1,687
Due to primary government	1,854,605
Compensated absences	10,283
Total current liabilities	1,915,471
Noncurrent liabilities:	
Net pension liability	126,284
Total noncurrent liabilities	126,284
Total liabilities	2,041,755
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	3,345
<b>Net Position</b>	
Net investment in capital assets	2,916,758
Unrestricted	672,761
Total net position	\$ 3,589,519

**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, 2023**  
**(With Comparative Actual Amounts for the Year Ended June 30, 1899)**

	Original Budget	Final Budget	Actual	Variance with Final Budget	2022
<b>Operating revenues</b>					
Charges for services	\$ 743,400	\$ 743,400	\$ 666,912	\$ (76,488)	\$ 716,382
Total operating revenues	<u>743,400</u>	<u>743,400</u>	<u>666,912</u>	<u>(76,488)</u>	<u>716,382</u>
<b>Operating expenses</b>					
Water purchases	112,000	112,800	110,279	2,521	111,534
Salaries and wages	58,700	58,700	57,761	939	57,450
Employee benefits	44,930	44,930	13,757	31,173	2,452
Services and supplies	278,377	289,877	266,328	23,549	273,195
Depreciation and amortization	392,700	392,700	393,960	(1,260)	392,503
Total operating expenses	<u>886,707</u>	<u>899,007</u>	<u>842,085</u>	<u>56,922</u>	<u>837,134</u>
Operating loss	<u>(143,307)</u>	<u>(155,607)</u>	<u>(175,173)</u>	<u>(19,566)</u>	<u>(120,752)</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	1,800	37,000	44,616	7,616	4,022
Grant revenue	-	-	-	-	154,315
Miscellaneous income	60,000	60,000	60,000	-	60,000
Debt paid through primary government	(10,584)	(10,584)	(10,584)	-	(10,584)
Interest expense	(46,394)	(46,394)	(46,394)	-	(48,587)
Total nonoperating revenues (expenses)	<u>4,822</u>	<u>40,022</u>	<u>47,638</u>	<u>7,616</u>	<u>159,166</u>
<b>Change in net position</b>	(138,485)	(115,585)	(127,535)	(11,950)	38,414
Total net position, beginning of year	<u>3,717,054</u>	<u>3,717,054</u>	<u>3,717,054</u>	<u>-</u>	<u>3,678,640</u>
<b>Total net position, end of year</b>	<u>\$ 3,578,569</u>	<u>\$ 3,601,469</u>	<u>\$ 3,589,519</u>	<u>\$ (11,950)</u>	<u>\$ 3,717,054</u>

**CITY OF WEST WENDOVER, NEVADA**  
**Component Unit – Johnson Springs**  
**Statement of Cash Flows**  
**June 30, 2023**

	<u>Component Unit</u> <u>Johnson Springs</u>
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers, service fees	\$ 684,651
Cash paid to suppliers	(355,557)
Cash paid to employees	(82,046)
Net cash flows from operating activities	<u>247,048</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Net component unit receipts/(payments)	(105,442)
Cash received from miscellaneous sources	60,000
Grant proceeds	-
Net cash flows from noncapital financing activities	<u>(45,442)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Interest paid on capital debt	(46,394)
Acquisition and construction of capital assets	(8,842)
Net cash flows from capital and related financing activities	<u>(55,236)</u>
<b>Cash Flows From Investing Activities:</b>	
Interest income	<u>44,616</u>
Net change in cash and cash equivalents	190,986
Cash and investments, including restricted cash, beginning of year	<u>559,602</u>
<b>Cash and Cash Equivalents, Including Restricted Cash , End of Year</b>	<u><u>\$ 750,588</u></u>
Reconciliation of operating income to net cash flows from operating activities:	
Operating income (loss)	\$ (175,173)
Adjustments to reconcile net income (loss) to net cash from operating activities	
Depreciation/amortization	393,960
Pension expense	(2,930)
Employer pension contributions	(7,737)
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	17,739
(Increase) decrease in inventory	-
Increase (decrease) in accounts payable	21,050
Increase (decrease) in compensated absences	139
Net cash flows from operating activities	<u><u>\$ 247,048</u></u>

**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

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

The Honorable Mayor and City Council  
West Wendover, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of West Wendover, Nevada, as of and for the year ended June 30, 2023, 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 November 10, 2023.

**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 whether the funds established by the City, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through ), 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  
November 10, 2023

**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, 2023**

Flat Fixed Fees:

Business license revenue adjusted base at June 30, 2022	<u>\$ 23,979</u>
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Adjustment to Base:

1. Percentage change in population of the local government	-0.4%	
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>6.5%</u>	<u>6.1%</u>

Increase in base	<u>1,463</u>
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Adjusted base at June 30, 2023	<u>25,442</u>
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Actual revenue	<u>18,402</u>
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Amount over (under) allowable amount	<u><u>\$ (7,040)</u></u>
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