



WESTERN NEVADA DEVELOPMENT DISTRICT

AGENDA

Board of Directors Meeting

10:00-11:15 am

Monday, October 21, 2024

Sutro Tunnel

1 Sutro Tunnel Road

Dayton, NV 89403

1. **Call to Order** – Dian VanderWell, President, WNDD

2. **Roll Call**

3. **Agenda Approval** (For Possible Action)

4. **APPROVAL OF CONSENT CALENDAR** (For Possible Action)
Items on the consent calendar may be approved by one motion. Consent items may be pulled at the request of Board Members wishing to have an item further discussed. When pulled for discussion, the item will automatically be placed at the beginning of the Administrative Agenda.
 - a. **Approval** --FY 2024-2025-September Treasurer’s Report

5. **WNDD Policy and Procedures for Personnel and Financial Management** (For Possible Action)
 - a. **Subcommittee to Update Policy Documents**
 - b. **Replace Chair**

6. **Audit** (For Possible Action)

7. **Executive Director / Staff Team Report** (Information Only – No Action Required)
 - a. City of Fernley Early Learning Center Don Vetter

 - b. EPA Brownfields Grant Application Chris Brandon/Don Vetter

 - c. Humboldt County Brownfields Grant Michelle Hammond Allen

 - d. Carson City Airport Terminal -Phase II EA Chris Brandon/Hayden Poinier

 - e. Tech Hub—Infrastructure Sub-Project Chris Brandon/Don Vetter

8. **Guest Speaker - Cortney Bloomer – Nevada Division of Tourism, Travel Nevada** (Information Only-No Action Required)

9. Adjourn Meeting

Catered Lunch – A Catered Affaire

Sutro Tunnel Tour and Construction Talk -- Dru Simerson, Simerson Construction, LLC

Docent Grounds Tour

Next Meeting – January 27, 2025 -Mark IV Center for Excellence, Fernley, NV

NOTICE TO PERSONS WITH DISABILITIES: Members of the Public who are disabled and require special assistance or accommodation at the meeting are requested to notify the Western Nevada Development District office in writing at 111 W. Telegraph Street, Suite 204, Carson City, Nevada 89703, by email at cbrandon@wndd.org or by calling 775-473-6753.

Western Nevada Development District

Balance Sheet

As of September 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
NSB Fed ACH Account - 0735	32,152.57
NSB Operating Checking - 0883	3,884.66
NSB Revolving Loan Fund - 3953	5,902.57
Total Bank Accounts	\$41,939.80
Accounts Receivable	
Accounts Receivable	-103,750.00
Total Accounts Receivable	\$ -103,750.00
Other Current Assets	
1004 - CDBG Liberty Fitness #4	-256.24
1004 - RBEG - Liberty Fitness #4	0.00
1006 CDBG - Cottage Foods #6	18,059.85
Accounts Receivable (1)	0.00
Prepaid Expenses	0.00
Security Deposit	250.00
Undeposited Funds	0.00
Total Other Current Assets	\$18,053.61
Total Current Assets	\$ -43,756.59
Fixed Assets	
Accumulated Depreciation	-268.10
Computer Equipment	5,817.49
Furniture & Fixtures	0.00
Total Fixed Assets	\$5,549.39
Other Assets	
Deposits	0.00
Total Other Assets	\$0.00
TOTAL ASSETS	\$ -38,207.20
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-1,497.91
Total Accounts Payable	\$ -1,497.91
Credit Cards	
NSB - 7213	-3,115.64

Western Nevada Development District

Balance Sheet

As of September 30, 2024

	TOTAL
Total Credit Cards	\$ -3,115.64
Other Current Liabilities	
Accounts Payable (1)	0.00
Accrued Other	0.00
Accrued Vacation	0.00
Deferred Revenue	5,250.00
Employee Advance	0.00
Payroll Liabilities	0.00
PPP Loan	0.00
Retirement	0.00
Salary Accrual	0.00
Total Other Current Liabilities	\$5,250.00
Total Current Liabilities	\$636.45
Total Liabilities	\$636.45
Equity	
3000 Opening Bal Equity	-9,934.94
Fund Balance	-7,300.99
Beginning Fund Balance	106,041.78
Total Fund Balance	98,740.79
Retained Earnings	-124,739.20
Net Income	-2,910.30
Total Equity	\$ -38,843.65
TOTAL LIABILITIES AND EQUITY	\$ -38,207.20

Western Nevada Development District

Profit and Loss

July - September, 2024

	TOTAL
Income	
Associate Membership	34,000.00
Brownfield Humboldt Grant	2,887.87
Interest Earnings	27.24
Membership Dues	30,000.00
City Of Fallon	5,000.00
Total Membership Dues	35,000.00
Unapplied Cash Payment Income	-250.00
Total Income	\$71,665.11
GROSS PROFIT	\$71,665.11
Expenses	
Accounting	750.00
Audit	6,650.00
Bank Service Charges	69.97
Brownfield Humboldt	4,467.98
Dues	100.00
EDA-PPG	10,830.54
Fringe Benefits	220.59
Vision Insurance	9.94
Total Fringe Benefits	230.53
Insurance	822.00
Legal	2,125.00
Meals	745.35
Meetings	952.75
Miscellaneous	150.00
Office Supplies	452.66
Parking	6.00
Payroll Expense	39,482.74
Payroll Taxes	1,702.87
Total Payroll Expense	41,185.61
Postage	37.96
Rent	3,525.00
Subscriptions	275.85
Travel	239.53
Travel HBF	442.60
Utilities	479.91
Web Design & Maintenance	36.17
Total Expenses	\$74,575.41
NET OPERATING INCOME	\$ -2,910.30
NET INCOME	\$ -2,910.30

FY24/25 P&L Budget vs Actual September 2024

July 1-September 30, 2024

DISTRIBUTION ACCOUNT	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET BY	PERCENT OF BUDGET
Income				
4500 Membership Dues	\$67,750.00	\$110,000.00	-\$42,250.00	61.59 %
Associate Membership	\$1,500.00	\$5,500.00	-\$4,000.00	27.27 %
Brownfield Humboldt Grant	\$2,887.87	\$40,000.00	-\$37,112.13	7.22 %
Interest Earnings	\$27.24	\$15.00	\$12.24	181.6 %
Sales	\$0.00	\$0.00	\$0.00	
Unapplied Cash Payment Income	-\$500.00	\$0.00	-\$500.00	
3900 Beginning Fund Balance	\$0.00	\$22,007.00	-\$22,007.00	0.0 %
EDA PPG Grant ED23SEA3020024	\$0.00	\$80,000.00	-\$80,000.00	0.0 %
RLF Interest	\$0.00	\$600.00	-\$600.00	0.0 %
The Summit	\$0.00	\$10,000.00	-\$10,000.00	0.0 %
Total for Income	\$71,665.11	\$268,122.00	-\$196,456.89	26.73 %
Cost of Goods Sold	\$0.00	\$0.00	\$0.00	
Gross Profit	\$71,665.11	\$268,122.00	-\$196,456.89	26.73 %
Expenses				
5001 Accounting	\$750.00	\$6,000.00	-\$5,250.00	12.5 %
5002 Audit	\$6,650.00	\$6,650.00	\$0.00	100.0 %
5003 Legal	\$2,125.00	\$3,000.00	-\$875.00	70.83 %
5004 Insurance	-\$15.00	\$0.00	-\$15.00	
5004.3 Workmans Compensation	\$837.00	\$1,400.00	-\$563.00	59.79 %
5004.1 Liability/Property	\$0.00	\$1,400.00	-\$1,400.00	0.0 %
Total for 5004 Insurance	\$822.00	\$2,800.00	-\$1,978.00	29.36 %
5302 Meetings	\$1,052.75	\$0.00	\$1,052.75	
5303 Subscriptions	\$275.85	\$3,500.00	-\$3,224.15	7.88 %
5700 Fringe Benefits	\$220.59	\$22,800.00	-\$22,579.41	0.97 %
5704 Vision Insurance	\$9.94	\$0.00	\$9.94	
Total for 5700 Fringe Benefits	\$230.53	\$22,800.00	-\$22,569.47	1.01 %
6000 Customer Relations	\$150.00	\$0.00	\$150.00	
6100 Office Supplies	\$1,516.27	\$750.00	\$766.27	202.17 %
6120 Bank Service Charges	\$69.97	\$0.00	\$69.97	
6200 Payroll Expense	\$39,482.74	\$124,000.00	-\$84,517.26	31.84 %
Payroll Taxes	\$1,702.87	\$0.00	\$1,702.87	
Total for 6200 Payroll Expense	\$41,185.61	\$124,000.00	-\$82,814.39	33.21 %
6302 Postage	\$37.96	\$76.64	-\$38.68	49.53 %
6500 Rent	\$3,525.00	\$14,100.00	-\$10,575.00	25.0 %
6700 Travel	\$1,258.03	\$8,000.00	-\$6,741.97	15.73 %
6701 Meals	\$1,930.00	\$0.00	\$1,930.00	
7001 Web Design & Maintenance	\$36.17	\$0.00	\$36.17	
Brownfield Humboldt	\$4,467.98	\$0.00	\$4,467.98	

FY24/25 P&L Budget vs Actual September 2024

July 1-September 30, 2024

DISTRIBUTION ACCOUNT	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET BY	PERCENT OF BUDGET
EDA-PPG	\$10,830.54	\$0.00	\$10,830.54	
Parking	\$6.00	\$0.00	\$6.00	
Travel HBF	\$442.60	\$0.00	\$442.60	
Utilities	\$479.91	\$0.00	\$479.91	
5100 Contract Grant Services	\$0.00	\$47,000.00	-\$47,000.00	0.0 %
5601 Equipment	\$0.00	\$2,500.00	-\$2,500.00	0.0 %
5602 Maintenance	\$0.00	\$3,500.00	-\$3,500.00	0.0 %
6102 Printing	\$0.00	\$300.00	-\$300.00	0.0 %
Summit Expenses	\$0.00	\$10,000.00	-\$10,000.00	0.0 %
Total for Expenses	\$77,842.17	\$254,976.64	-\$177,134.47	30.53 %
Net Operating Income	-\$6,177.06	\$13,145.36	-\$19,322.42	-46.99 %
Other Income	\$0.00	\$0.00	\$0.00	
Other Expenses	\$0.00	\$0.00	\$0.00	
Net Other Income	\$0.00	\$0.00	\$0.00	
Net Income	-\$6,177.06	\$13,145.36	-\$19,322.42	-46.99 %

**WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)**



Financial Statements

For the Year Ended

June 30, 2024



KNOTT
Certified Public Accountant
235 West Pueblo Street
Reno, Nevada

**WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)**

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Knott

Certified Public Accountant
235 West Pueblo Street
Reno, Nevada 89509

(775) 746-2900

Independent Auditor's Report

Board of Directors
Western Nevada Development District
Carson City, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of Western Nevada Development District (a non-profit organization) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Western Nevada Development District as of June 30, 2024, and the respective changes in financial position 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 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 District 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 District'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 District'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 on pages 4-5 and budgetary comparison information on page 11 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 Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2024, on our consideration of the Western Nevada Development District's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Western Nevada Development District's internal control over financial reporting and compliance.

Knott CPA

Reno, Nevada
August 26, 2024

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

Required Supplementary Information
Management Discussion and Analysis

This section of the Western Nevada Development District (WNDD) Annual Financial Report presents the management overview and analysis of WNDD's financial performance for the fiscal year ending June 30, 2024. This section should be read in conjunction with the financial statements beginning on page six (6).

Financial Highlights

- Total current assets decreased from \$122,114 (June 30, 2023) to \$52,892 (June 30, 2024).
- Total liabilities decreased from \$10,774 (June 30, 2023) to \$10,696 (June 30, 2024).

WNDD Highlights

- WNDD was awarded a new 3-year EDA Partnership Planning Grant in June 2023 for FY23 through FY25 for \$240,000, \$80,000/year. The match required, \$80,000/year, comes from jurisdictional member's dues from 9 counties and 7 cities.
- Membership dues for FY23/24 totaled \$106,500, a decrease in membership revenues of \$3,500 from the previous year.

The Annual Audit/Financial Statements

WNDD requires an annual audit of its accounts which is done in accordance with the auditing standards generally accepted in the United States of America and *Government Auditing Standards* by the Comptroller General of the United States.

This annual report consists of three parts: (1) Management Discussion and Analysis, (2) the Independent Auditor's Report and Financial Statements, and (3) Required Supplementary Information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

This Annual Report is submitted to the WNDD Board of Directors for approval and provided to the U.S. Economic Development Administration and other grantor agencies where WNDD is a grantee.

**WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)**

**Required Supplementary Information
Management Discussion and Analysis (Continued)**

Statement of Revenues, Expenditures and Changes in Fund Balance

	2024	2023
Revenues	\$ 231,060	\$ 296,908
Expenditures	(327,280)	(300,387)
Revenues in excess of (under) expenditures	\$ (96,220)	\$ (3,479)

Balance Sheet – Governmental Fund

	2024	2023
Assets		
Current assets	\$ 52,892	\$ 122,114
Total assets	\$ 52,892	\$ 122,114
Liabilities		
Current liabilities	\$ 10,696	\$ 10,774
Total liabilities	\$ 10,696	\$ 10,774
Fund Balances		
Unassigned	\$ 42,196	\$ 111,340
Total fund balances	\$ 42,196	\$ 111,340

Fund Balances

WNDD's fund balances decreased from June 30, 2023 to June 30, 2024.

Current Liabilities

WNDD's current liabilities decreased from June 30, 2023 to June 30, 2024.

Analysis of Current and Expected Conditions

WNDD continues to monitor its efforts in reducing costs.

Contacting WNDD Financial Management

This financial report is designed to provide an overview of WNDD finances. If you have questions about this report or need additional financial information, please send your request to: Chris Brandon, Western Nevada Development District, 111 W. Telegraph Street, Suite 204, Carson City, Nevada 89703.

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

Statement of Net Position
June 30, 2024

ASSETS

Current assets:

Cash	\$ 48,073
Receivables (net)	4,569
Other current assets	250
Loans receivable, current portion	3,596
Total current assets	56,488

Noncurrent assets:

Property and equipment, net	15,923
Loans receivable, net of current portion	17,950
Total noncurrent assets	33,873

Total assets	\$ 90,361
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LIABILITIES

Current liabilities:

Accounts payable	\$ 1,480
Accrued liabilities	3,966
Advances	5,250
Lease liability, current	5,009
Total current liabilities	15,705

Lease liability, noncurrent	12,197
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Total liabilities	\$ 27,902
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NET POSITION

Net investment in capital assets	\$ 15,923
Unrestricted	46,536
Total net position	62,459

Total liabilities and net position	\$ 90,361
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The notes to financial statements are an integral part of this statement.

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

Statement of Activities
For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government Economic Development	<u>\$ 309,120</u>	<u>\$ 112,311</u>	<u>\$ 118,749</u>	\$ (78,060)
			Net Position - Beginning	140,519
			Net Position - Ending	\$ 62,459

The notes to financial statements are an integral part of this statement.

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

Balance Sheet – Governmental Fund

As of June 30, 2024

(With comparative totals for June 30, 2023)

ASSETS	<u>2024</u>	<u>2023</u>
Current assets:		
Cash	\$ 48,073	\$ 85,900
Receivables (net)	4,569	32,964
Other current assets	250	3,250
Total current assets	<u>52,892</u>	<u>122,114</u>
 Total assets	 <u>\$ 52,892</u>	 <u>\$ 122,114</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,480	\$ 8,438
Accrued liabilities	3,966	2,336
Advances from other governments	5,250	-
Total liabilities	<u>\$ 10,696</u>	<u>\$ 10,774</u>
 FUND BALANCES		
Unassigned	<u>\$ 42,196</u>	<u>\$ 111,340</u>
Total fund balances	<u>\$ 42,196</u>	<u>\$ 111,340</u>
 Total liabilities and fund balances		 <u>\$ 122,114</u>

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

Capital assets used in governmental activities are not financial resources and therefore the underlying resources are not recognized currently in the funds. 15,923

Long-term liabilities, including lease liabilities, are not due and payable in the current period and therefore are not reported in the funds. (17,206)

The loans receivable will be collected in subsequent years but is not available soon enough to pay for the current period's expenditures and therefore is not reported in the fund financial statements (see Note 1). 21,546

Net position of governmental activities \$ 62,459

The notes to financial statements are an integral part of this statement.

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

Statement of Revenues, Expenditures and Changes in Fund Balance
Year ended June 30, 2024
(With comparative totals for June 30, 2023)

	<u>2024</u>	<u>2023</u>
Revenues		
E.D.A. planning grant	\$ 80,000	\$ 80,000
E.P.A. Brownfields grant	21,467	65,884
Nevadaworks Good Jobs grant	-	20,392
Membership fees	112,311	117,335
Conference	15,741	11,305
Interest	1,541	1,992
Total revenues	<u>231,060</u>	<u>296,908</u>
Expenditures		
Personnel and fringe benefits		
Salaries and wages	138,692	104,498
Fringe benefits	1,169	8,096
Total personnel and fringe benefits expenditures	<u>139,861</u>	<u>112,594</u>
Other		
Accounting, legal, insurance	18,871	26,558
Contract services	102,269	123,256
Equipment/maintenance	3,476	817
Rent and utilities	7,665	12,297
Dues, subscriptions & meetings	3,508	3,241
Office supplies	2,504	1,246
Postage	77	13
Travel and meals	6,657	8,431
Printing and reproduction	494	1,640
Miscellaneous	524	195
Internet and web service	35	578
Conference	9,712	9,521
Debt service:		
Lease financing - principal	2,237	-
Interest	8,338	-
Capital outlay	21,052	-
Total other expenditures	<u>187,419</u>	<u>187,793</u>
Total expenditures	<u>327,280</u>	<u>300,387</u>
Revenues in excess of (under) expenditures	(96,220)	(3,479)
Other Financing Sources:		
Amortization of loans receivable	7,633	29,086
Proceeds from lease liability	19,443	-
Total other financing sources	<u>27,076</u>	<u>29,086</u>
Net Change in Fund Balances	(69,144)	25,607
Fund Balances - Beginning of Year	<u>111,340</u>	<u>85,733</u>
Fund Balances - End of Year	<u>\$ 42,196</u>	<u>\$ 111,340</u>

The notes to financial statements are an integral part of this statement.

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

**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, 2024

Net Change in Fund Balances - Governmental Funds	\$ (69,144)
Amounts reported for governmental activities in the statement of activities are different because:	
Loans receivable are not reported in the governmental funds, but are reported as long-term assets in the statement of net position. This amount is the net decrease in loans receivable.	(7,633)
Lease financing proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of lease financing is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.	(17,206)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$21,052) exceeded depreciation (\$5,129) in the current period.	<u>15,923</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u><u>\$ (78,060)</u></u>

The notes to financial statements are an integral part of this statement.

WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)

Budgetary Comparison Statement
Year Ended June 30, 2024
(With comparative totals for June 30, 2023)

	Budget	Actual	Variance Favorable (Unfavorable)	2023
Revenues				
E.D.A. planning grant	\$ 80,000	\$ 80,000	\$ -	\$ 80,000
E.P.A. Brownfields grant	46,400	21,467	(24,933)	65,884
Nevadaworks Good Jobs grant	20,000	-	(20,000)	20,392
Membership fees	131,000	112,311	(18,689)	117,335
Conference	12,000	15,741	3,741	11,305
Interest	3,015	1,541	(1,474)	1,992
Total revenues	<u>292,415</u>	<u>231,060</u>	<u>(61,355)</u>	<u>296,908</u>
Expenditures				
Personnel and fringe benefits				
Salaries and wages	114,500	138,692	(24,192)	104,498
Fringe benefits	22,800	1,169	21,631	8,096
Total personnel and fringe benefits expenditures	<u>137,300</u>	<u>139,861</u>	<u>(2,561)</u>	<u>112,594</u>
Other				
Accounting, legal, insurance	19,600	18,871	729	26,558
Contract services	67,000	102,269	(35,269)	123,256
Equipment/maintenance	7,500	3,476	4,024	817
Rent and utilities	10,800	7,665	3,135	12,297
Dues, subscriptions & meetings	1,200	3,508	(2,308)	3,241
Office supplies	750	2,504	(1,754)	1,246
Postage	75	77	(2)	13
Travel and meals	6,000	6,657	(657)	8,431
Printing and reproduction	1,200	494	706	1,640
Miscellaneous	-	524	(524)	195
Internet and web service	-	35	(35)	578
Conference	12,000	9,712	2,288	9,521
Debt service:				
Lease financing - principal	-	2,237	(2,237)	-
Interest	-	8,338	(8,338)	-
Capital outlay	-	21,052	(21,052)	-
Total other expenditures	<u>126,125</u>	<u>187,419</u>	<u>(61,294)</u>	<u>187,793</u>
Total expenditures	<u>263,425</u>	<u>327,280</u>	<u>(63,855)</u>	<u>300,387</u>
Revenues in excess of (under) expenditures	28,990	(96,220)	(125,210)	(3,479)

The notes to financial statements are an integral part of this statement.

**WESTERN NEVADA DEVELOPMENT DISTRICT
(A Non-Profit Organization)**

Notes to Financial Statements

Western Nevada Development District
(A Non-Profit Organization)
Notes to Financial Statements
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Western Nevada Development District (the District) is incorporated as a non-profit, non-stock cooperative corporation and is classified as a “special district” or “local government unit” rather than a non-profit for financial reporting.

Government-wide and Fund Financial Statements

The government-wide financial statements, i.e., the statement of net assets and the statement of changes in net assets, report information on all of the nonfiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be 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 thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants, entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

Western Nevada Development District
(A Non-Profit Organization)
Notes to Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist of grantor agencies, and contractual and other receivables. Uncollectible accounts are charged to bad debt expense when deemed uncollectible based upon review of outstanding accounts. No allowance for uncollectible accounts was considered necessary at June 30, 2024.

Loans Receivable

Loans receivable consist of business loans to local rural businesses. Loan terms are between 5 and 10 years at 5% interest. Current loans receivable to be collected within one-year total \$3,596. Non-current loans receivable, not expected to be collected within one-year, total \$17,950. No allowance for uncollectible accounts was considered necessary at June 30, 2024.

Property and Equipment

Acquisitions of fixed assets are recorded at cost in the period acquired. These assets are considered to be owned by the District while used in the activities for which purchased or in future approved activities. Title to the non-expendable personal property is vested with Western Nevada Development District. The disposition of the property, and the proceeds therefrom, are subject to federal regulations. Depreciation is calculated using the straight-line method over the estimated life of the assets (three years). There was \$268 depreciation expense for the year ended June 30, 2024.

Employee Benefits

Accumulated employee vacation benefits are recognized as liabilities. At June 30, 2024, there was no outstanding liability. The Board of Directors has decided to put a cap on the vacation accrual of 240 hours per employee. Sick leave benefits are accumulated for each employee but are not recognized as a liability, as employees cannot collect upon termination.

Estimates

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

Western Nevada Development District
(A Non-Profit Organization)
Notes to Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment activity for the year ended June 30, 2024, were as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities				
Equipment	\$ -	\$ 1,609	\$ -	\$ 1,609
Right-of-use asset	-	19,443	-	19,443
Total	-	21,052	-	21,052
Less accumulated depreciation				
Equipment	-	(268)	-	(268)
Right-of-use asset	-	(4,861)	-	(4,861)
Total	-	(5,129)	-	(5,129)
Capital assets, net	<u>\$ -</u>	<u>\$ 15,923</u>	<u>\$ -</u>	<u>\$ 15,923</u>

Leases

The District leases an office facility through September 2026 under a long-term non-cancelable operating lease agreement. Included in the determination of the right-of-use assets and lease liabilities are any renewal options when the options are reasonably certain to be exercised. The operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the District to pay utilities, insurance, and repairs.

The weighted-average discount rate of 5% is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the District estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the District's applicable borrowing rates and the contractual lease term. Total lease costs for the year ended June 30, 2024, were \$10,575. The future minimum lease payments under non-cancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

	June 30,	Operating
	2025	\$ 14,100
	2026	14,100
	2027	3,525
Total lease payments		31,725
Less interest		(14,519)
Present value of lease		<u>\$ 17,206</u>

Western Nevada Development District
(A Non-Profit Organization)
Notes to Financial Statements (Continued)
June 30, 2024

2. FEDERAL INCOME TAX RETURN

As a non-profit corporation, Western Nevada Development District files Federal Form 990, Return of Organization Exempt from Income Tax, and is not liable for payment of corporate income tax. All revenues and expenditures for the current year were in accordance with Western Nevada Development District's tax-exempt status.

3. GRANT REVENUES

On July 1, 2023, the District received an Economic Development Administration Grant (E.D.A. Planning Grant) from the U.S. Department of Commerce in the amount of \$80,000 for economic development planning strategy. At June 30, 2024, all funds have been expended.

4. SUBSEQUENT EVENTS

The District did not have any subsequent events through August 26, 2024, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2024.

Knott

Certified Public Accountant
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Reno, Nevada 89509

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

Board of Directors
Western Nevada Development District
Carson City, 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 of Western Nevada Development District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Western Nevada Development District's financial statements, and have issued our report thereon dated August 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Nevada Development District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Nevada Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Nevada Development District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described below as Findings 2024-001 and 2024-002 that we consider to be material weaknesses.

Finding 2024-001: Grant/Membership Dues Revenue and Receivable Reconciliation

Criteria: Sound internal controls require that the accounts are reconciled to the supporting documentation in a timely manner. This applies to grants and membership dues in order to determine if related revenue and receivables are recorded in the proper period.

Condition/Context: During our grant reconciliation testing, we noted two grant drawdowns totaling \$32,964, as of June 30, 2024, which was inappropriately included in grants receivable and revenue. During our membership dues revenue testing, dues for the fiscal year starting July 1, 2024 through June 30, 2025 were billed on invoices dated June 10, 2024, which resulted in all dues for fiscal year 2024/2025 being included in fiscal year 2023/2024.

Effect: Without adjustment, the grant revenue and receivables, for the fiscal year ended June 30, 2024, would be overreported by \$32,964. Additionally, the membership dues revenue, for the fiscal year ended June 30, 2024, would be overreported by \$109,000, receivables would be overreported by \$103,750, and deferred revenue would be underreported by \$5,250.

Cause: The District has dealt with unanticipated staffing changes that resulted in this oversight.

Recommendation: It is best to track and record grant-related drawdowns, revenue, and expenses during a monthly grant reconciliation process. Additionally, membership due invoices should be dated with the beginning date of the fiscal year for which the dues are for. Otherwise, receipts and disbursements can be recorded in improper periods which can result in materially misstated financial statements.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges this finding and will address it since staffing has stabilized.

Repeat Finding from the Prior Audit: Yes.

Finding 2024-002: Subsequent Disbursements

Criteria: Sound internal controls require that the accounts are reconciled to the supporting documentation in a timely manner. This applies to subsequent disbursements and ensuring that expenses are recorded in the proper period.

Condition/Context: During our subsequent disbursement testing for accounts payable, we noted one invoice (out of a sampling population of one) totaling \$1,607 that was for services performed in the fiscal year ended June 30, 2024, but was recorded as an expense in July 2024 when paid.

Effect: Without adjustment, expenses and accounts payable, for the fiscal year ended June 30, 2024, would be underreported by \$1,607.

Cause: The District has dealt with unanticipated staffing changes that resulted in this oversight.

Recommendation: To properly accrue invoices, dates of service should be considered when recording disbursement transactions. Otherwise, disbursements can be recorded in improper periods which can result in materially misstated financial statements.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges this finding and will address it since staffing has stabilized.

Repeat Finding from the Prior Audit: Yes.

Report on Compliance and Other Matters

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

Western Nevada Development District's Response to Findings

Western Nevada Development District's response to the findings identified in our audit are described previously. Western Nevada Development District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Knott CPA

Reno, Nevada
August 26, 2024