

# Skyland GID

## Treasurer Report

Karl Ney

### Bank Account Balances as of 12/31/2023

US Bank Operations Acct #5247 \$86,668.94

US Bank USDA Fence Loan Acct#6281 \$61,934.64

### A/P: TBD from CPA

To date, I have not seen a snow removal invoice or an invoice from the engineering firm for the project management of the reconstruction of the fence fall of 2023. I will work to have complete budget projections and payable listings for the February meeting.

### USDA Loan Amount: \$652,590.00

2.125% / 20 year Loan

Start Date: 3/29/2022

USDA Fence loan payment \$3,485.00/month

### #4 Debt Service Coverage Ratio (DSCR)

Reserves held per contract: \$348.50/month starting January 1, 2023.

No reserves have been held to date. The GID needs to open another bank account to put the reserves in but have not done so yet because of talks to change banks from US Bank to another bank due to customer service issues.

The total amount needed in the reserve account is one year's payments totaling \$41,820.00.

This would equal 120 payments of \$348.50. (10 years to withhold funds starting January 1, 2023)

**2023** 12x348.50 = \$ 4,182.00

**2024** 1 x348.50 = \$ 348.50

**Past due total to apply to new withholding account: \$4,530.50**

Per the agreement, we are NOT required by the loan agreement to complete another USDA audit concerning the fence project.

Per my understanding and talks with the USDA loan team and per the information included in our loan agreement, the GID is only responsible for audits at a NV state level moving forward in 2024. Skyland is not required to perform another full audit as was done in 2023 per the loan agreement and per the funds that were expended. See USDA contract notes below. Financial statements can be prepared and submitted by our current CPA firm.

### Contract Notes:

a. **An annual audit under the Single Audit Act is required if the recipient expends \$750,000 or more in Federal financial assistance per fiscal year.** The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, Subpart F, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by

an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and **must be submitted within 9 months of the recipients fiscal year end.**

**b. For local governments and Indian tribes, an audit in accordance with State or local law or regulation or regulatory agency requirements must be submitted when you expend less than \$750,000 in Federal financial assistance per fiscal year. These audits shall be submitted to USDA no later than 150 days after the end of the borrower's fiscal year.**

*c. All borrowers exempt from USDA audit requirements and who do not otherwise have annual audits, will within 60 days following the end of the borrower's fiscal year furnish USDA with annual financial statements, consisting of a verification of the organization's balance sheet and statement of income and expenses. The recipient may use Form RD 442-2, "Statement of Budget, Income and Equity," (the Skyland GID accounting firm should be able to provide these documents)*

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and 442-3, "Balance Sheet," or similar format to provide the financial information.

d. NOTE: As a part of the normal RD Servicing Requirements, the Applicant will be required to provide RD with annual audited financial statements and also quarterly financial reports. **Quarterly financial reports are only required for the first year of the loan.**

2. Audit agreement—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate.

I completed the Pool Plan insurance questionnaire and submitted it to our insurance provider A and H Insurance, 3301 So. Virginia St., Reno, NV 89502. The GID is waiting for the updated insurance rider and 2024-2025 cost to review.

Karl Ney

January 22, 2024