VERDI TELEVISION MAINTENANCE DISTRICT VERDI, NEVADA

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Financial Statements

June 30, 2024

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# Knott

Certified Public Accountant 65 Regency Way, Suite C Reno, Nevada 89509

# VERDI TELEVISION MAINTENANCE DISTRICT

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Certified Public Accountant 65 Regency Way, Suite C Reno, Nevada 89509

(775) 746-2900

## Accountant’s Compilation Report

Board of Trustees

Verdi Television Maintenance District Verdi, Nevada

Management is responsible for the accompanying financial statements of Verdi Television Maintenance District (the District), which comprise the statement of assets, liabilities, and fund equity (Modified Cash Basis) as of June 30, 2024, with comparative totals as of June 30, 2023, and the related statement of revenues, expenses, and changes of fund equity – budget and actual (Modified Cash Basis), and the statement of cash flows (Modified Cash Basis) for the years then ended, and the related notes to the financial statements in accordance with modified cash basis of accounting. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Property and equipment are not capitalized or depreciated under the cash basis of accounting. Management has informed us that the District capitalized and depreciated property and equipment totaling $860,621. If property and equipment were not capitalized and depreciated, property and equipment, net of $239,457 would not be recorded and fund equity would be decreased by $84,933, as of June 30, 2024, and net income would be decreased by $154,524 for the year then ended.

Management has omitted the management’s discussion and analysis information that is required to be presented for the purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

Signature signed as Knott CPA

Reno, Nevada January 24, 2025

Statement of Assets, Liabilities and Fund Equity (Modified Cash Basis)

June 30, 2024

(With comparative totals for 2023)

ASSETS

2024 2023

Current Assets

Cash and cash equivalents

$ 728,679

$ 841,865

Property and Equipment

|  |  |  |
| --- | --- | --- |
| Building and improvements | 52,699 | 52,699 |
| Machinery and equipment | 807,922 | 628,082 |
|  | 860,621 | 680,781 |
| Less: accumulated depreciation | (621,164) | (595,848) |
| Total Property and Equipment, Net | 239,457 | 84,933 |
| Total Assets | $ 968,136 | $ 926,798 |

LIABILITIES AND FUND EQUITY

Current Liabilities $ - $ -

Fund Equity - Unrestricted 968,136 926,798

Total Liabilities and Fund Equity

$ 968,136

$ 926,798

See accountant’s compilation report and accompanying notes.

Statement of Revenues, Expenses and Changes in Fund Equity (Modified Cash Basis)

For Year Ended June 30, 2024 (With comparative totals for 2023)

2024

Favorable

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Budget | Actual | (Unfavorable) | 2023 |
| Operating Revenues Rental income | $ 600 | $ 600 | $ - | $ 600 |
| Operating Expenses Advertising | - | 438 | (438) | - |
| Bookkeeping & professional | 36,000 | 35,500 | 500 | 36,000 |
| Depreciation | 22,000 | 25,316 | (3,316) | 16,064 |
| Donations | 5,000 | 5,000 | - | 5,000 |
| Equipment rental | 4,000 | - | 4,000 | - |
| Fines | - | - | - | 6,000 |
| Insurance | 4,600 | - | 4,600 | - |
| Legal and accounting | 9,000 | 4,988 | 4,012 | 7,275 |
| Office expense | 8,000 | 1,045 | 6,955 | 598 |
| Rent | 7,800 | 8,184 | (384) | 8,171 |
| Repairs and maintenance | 120,000 | 5,246 | 114,754 | 53,083 |
| Special equipment | 70,000 | - | 70,000 | - |
| Utilities | 7,472 | 7,893 | (421) | 6,627 |
| Total Operating Expenses | 293,872 | 93,610 | 200,262 | 138,818 |
| Operating Gain (Loss) | (293,272) | (93,010) | 200,262 | (138,218) |
| Non-Operating Revenue Tax revenue | 166,797 | 134,348 | (32,449) | 137,348 |
| Net Income (Loss) | $(126,475) | 41,338 | $ 167,813 | (870) |
| Fund Equity – Beginning of Year |  | 926,798 |  | 927,668 |
| Fund Equity – End of Year |  | $ 968,136 |  | $ 926,798 |

See accountant’s compilation report and accompanying notes.

Statement of Cash Flows (Modified Cash Basis)

For Year Ended June 30, 2024 (With comparative totals for 2023)

2024

Favorable

Budget Actual (Unfavorable) 2023

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cash Flows from Operating Activities  Cash received from rents | $ 600 | $ 600 | $ - | $ 600 |
| Cash paid for goods and Services | (271,872) | (68,294) | 203,578 | (122,754) |
| Net cash provided (used) Operating activities | (271,272) | (67,694) | 203,578 | (122,154) |
| Cash Flows from Investing Activities  Purchase of fixed assets | (120,000) | (179,840) | (59,840) | (26,899) |
| Tax revenue received | 166,797 | 134,348 | (32,449) | 137,348 |
| Net cash provided (used) Investing activities | 46,797 | (45,492) | (92,289) | 110,449 |
| Net Increase (Decrease) In Cash | (224,475) | (113,186) | 111,289 | (11,705) |
| Cash Balance, Beginning of Year | 576,102 | 841,865 | 265,763 | 853,570 |
| Cash Balance, End of Year | $ 351,627 | $ 728,679 | $ 377,052 | $ 841,865 |
| Reconciliation of Operating Income to Net Cash Provided  by Operating Activities |  |  |  |  |
| Operating income (loss) | $ (93,010) | | $(138,218) | |

Adjustments to reconcile Operating loss to net cash provided by operating activities

|  |  |  |
| --- | --- | --- |
| Depreciation | 25,316 | 16,064 |
|  | 25,316 | 16,064 |
| Net Cash (Used) |  |  |
| Provided by Operating Activities | $ (67,694) | $(122,154) |

See accountant’s compilation report and accompanying notes.

1. SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

The financial statements present the financial position, results of operations, changes in fund equity and cash flows for the Verdi Television Maintenance District (the District), which is under the jurisdiction of the Verdi Television Maintenance District’s Board of Trustees (the Board). The District was created and operates under Chapter 318 of the Nevada Revised Statutes. The District is fiscally independent of all other government entities and has no component units nor is it a component unit of another entity.

The District provides television rebroadcast services for the people living within the District and is managed by five trustees elected by popular vote. The Board does not have the power to levy taxes.

The Board annually certifies the amount of money necessary to maintain equipment and property of the District. The revenues, which the District is entitled to receive, are established by the Nevada Revised Statutes.

Fund Accounting

The accounts of the Verdi Television Maintenance District are organized into one fund, an Enterprise Fund. The measurement focus of an Enterprise Fund is to determine net income and, as such, the Verdi Television Maintenance District accounting records are maintained on the cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses which result from cash transactions with a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

Fixed Assets

Valuation – The basis for valuing the District’s capital assets has primarily been historical cost.

Depreciation – Depreciation is calculated using the straight-line method over the estimated useful lives of fixed assets. Total depreciation for the years ended 2024 and 2023 is $25,316 and $16,064, respectively.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities and the reported amounts of revenues and expenses for the year ended June 30, 2024. These estimates are based on management’s knowledge and experience and due to their prospective nature, actual results could differ from those estimates.

Economic Dependency

The District receives funds from Washoe County based on an estimated resident population as of July 1 for each year. If the population base in Verdi should significantly decrease, the revenues of the District would decrease correspondingly.

Budget Policies

The Verdi Television District is exempt from certain budget requirements under Nevada Revised Statutes which would ordinarily require the submission of a tentative budget each year. The petition for exemption must be submitted to the Nevada Department of Taxation on or before March 1 each year to be effective for the succeeding fiscal year. Thus, the Verdi Television District is in compliance with the Local Government Budget Act within the Nevada Revised Statutes.

1. SUMMARY OF ACCOUNTING POLICIES (Continued)

Budget Policies (Continued)

* 1. The Budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year end.
  2. Budget amounts may be transferred if amounts do not exceed the original budget. Budget augmentations in excess of original budgetary amounts may be implemented by including the augmentation in the next quarterly report to the Department of Taxation. Budget transfers and augmentations must be approved by the Board of Trustees.
  3. In accordance with State Statute and the Nevada Administrative Code, actual expenses may not exceed the sum of budgeted operating and non-operating expenses.

There were no amendments to the 2023-2024 budget during the year.

Summary of Accounting Basis Used in Financial Statements

The accompanying financial statements are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America require all revenue and accounts receivable to be recorded in the period in which revenue is earned, and expenses and accounts payable to be recorded in the period in which they are incurred. In the accompanying financial statements, certain revenue has been recorded when cash is received, and certain expenses have been recorded when cash is disbursed.

Cash

The District maintains all of its cash accounts with the Washoe County Treasurer in Reno, Nevada. The carrying amount is the same as the amount on deposit with the Washoe County Treasurer. The treasurer obtains collateral held in the name of the District.

|  |  |  |
| --- | --- | --- |
|  | 2024 | 2023 |
| Carrying amount | $ 728,679 | $ 841,865 |
| On deposit with County Treasurer | $ 728,679 | $ 841,865 |

|  |  |  |
| --- | --- | --- |
| 2. PROPERTY AND EQUIPMENT |  | |
|  | 2024 | 2023 |
| Building and improvements | $ 52,699 | $ 52,699 |
| Machinery and equipment | 807,922 | 628,082 |
|  | 860,621 | 680,781 |
| Less: accumulated depreciation | (621,164) | (595,848) |
| Total Property and Equipment | $ 239,457 | $ 84,933 |
| 3. SUBSEQUENT EVENTS |  |  |

The District did not have any subsequent events through January 24, 2025, 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.