



March 11, 2025

To the Honorable Mayor and City Council
City of Sandpoint
1123 Lake Street
Sandpoint, ID 83864

We have audited the financial statements of the City of Sandpoint as of and for the year ended September 30, 2024, and have issued our report thereon dated March 10, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 24, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City of Sandpoint solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks: management override of controls and improper revenue recognition.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City of Sandpoint is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the estimates for the net pension liability, amortization expense, and depreciation expense.

Management's estimate of the depreciation expense is based on useful lives of fixed assets. We evaluated the key factors and assumptions used to develop the useful lives of fixed assets and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the amortization is based on the present value of the right-of-use lease assets. We evaluated the key factors and assumptions used to develop this and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

The estimate for net pension liability has been provided by an outside actuarial firm and allocated based on the City of Sandpoint's proportionate share. We evaluated the key factors and assumptions used to develop this and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of Sandpoint's financial statements relate to: debt and leases which are disclosed in Notes 6, 7, 8 and 9, and the defined benefit pension plan in Note 14. Management's estimate of the net pension liability was provided by the Public Employee Retirement System of Idaho (PERSI). An actuary assisted PERSI in calculating projected benefits and obligations associated with the liability. PERSI's financial statements have been audited by a certified public accounting firm as of the measurement date.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached Schedule C summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units. Audit adjustments however were proposed and accepted by management as a result of our role in the preparation of the financial statements as described in our engagement letter and are attached as Schedule A and B.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of Sandpoint's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 10, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of Sandpoint, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of Sandpoint's auditors.

This report is intended solely for the information and use of the Honorable Mayor, City Council and management of the City of Sandpoint and is not intended to be and should not be used by anyone other than these specified parties.



Magnuson, McHugh, Dougherty CPAs

SCHEDULE A

| Account | Description | W/P Ref | Debit | Credit |
|--|---|-----------------|---------------------|---------------------|
| Adjusting Journal Entries JE # 1001 | | M-01 | | |
| To record the effect of GASB 68 as of the beginning of the current audit period. | | | | |
| 30.01 | GASB 68 Water deferred outflow | | 272,811.00 | |
| 30-0000-2530-0000 | FUND BALANCE | | 432,640.00 | |
| 31.01 | GASB Sewer deferred outflow | | 208,806.00 | |
| 31-0000-2530-0000 | FUND BALANCE | | 279,948.00 | |
| 30.02 | GASB 68 Water deferred inflow | | | 72,142.00 |
| 30.03 | GASB 68 Net pension liability | | | 633,309.00 |
| 31.02 | GASB 68 Water deferred inflow | | | 97,724.00 |
| 31.03 | GASB Net pension liability | | | 391,030.00 |
| Total | | | 1,194,205.00 | 1,194,205.00 |
| Adjusting Journal Entries JE # 1002 | | NPL 01.1 | | |
| To adjust current year NPL activity in the enterprise funds. | | | | |
| 30.02 | GASB 68 Water deferred inflow | | 1,854.00 | |
| 30.03 | GASB 68 Net pension liability | | 34,260.00 | |
| 30.04 | GASB 68 Change in NPL | | 93,374.00 | |
| 31.02 | GASB 68 Water deferred inflow | | 1,622.00 | |
| 31.03 | GASB Net pension liability | | 29,978.00 | |
| 31.04 | GASB 68 Change in NPL | | 81,702.00 | |
| 30.01 | GASB 68 Water deferred outflow | | | 75,814.00 |
| 30.05 | GASB 68 actual PERSI contributions (contra) | | | 53,674.00 |
| 31.01 | GASB Sewer deferred outflow | | | 66,337.00 |
| 31.05 | GASB 68 actual PERSI contributions (contra) | | | 46,965.00 |
| Total | | | 242,790.00 | 242,790.00 |
| Adjusting Journal Entries JE # 1003 | | M-00 | | |
| To tie out fund balance to the prior year financial statements. | | | | |
| 01-1320-4830-0000 | MISCELLANEOUS | | 2.00 | |
| 05-0000-2530-0000 | FUND BALANCE | | 1.00 | |
| 06-0000-2530-0000 | FUND BALANCE | | 2.00 | |
| 08-5180-4610-4616 | FACILITY SUPPLIES | | 1.00 | |
| 30-3452-4610-4616 | FACILITY SUPPLIES | | 1.00 | |
| 33-0000-2530-0000 | FUND BALANCE | | 1.00 | |
| 01-0000-2530-0000 | FUND BALANCE | | | 2.00 |
| 05-3170-4530-0000 | ADVERTISING | | | 1.00 |
| 06-5120-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | | 2.00 |
| 08-0000-2530-0000 | FUND BALANCE | | | 1.00 |
| 30-0000-2530-0000 | FUND BALANCE | | | 1.00 |
| 33-7000-4810-1162 | INTEREST PAYMENTS - WATER BOND 2012 | | | 1.00 |
| Total | | | 8.00 | 8.00 |
| Adjusting Journal Entries JE # 1004 | | M-02 | | |
| To reinstate lease assets and liabilities from PY audit. | | | | |
| 25-0000-2530-0000 | FUND BALANCE | | 1,264.00 | |
| MMCO-02 FUND 25 | Right of use lease asset | | 361,246.00 | |
| MMCO-03 FUND 25 | Accumulated Amortization | | | 325,121.00 |
| MMCO-04 FUND 25 | Lease Liability - Due within one year | | | 37,389.00 |
| Total | | | 362,510.00 | 362,510.00 |
| Adjusting Journal Entries JE # 1005 | | L-04 | | |
| To record current year sanitation lease activity. | | | | |
| MMCO-04 FUND 25 | Lease Liability - Due within one year | | 37,389.00 | |
| MMCO-07 FUND 25 | Amortization Expense | | 36,125.00 | |
| 25-3200-4442-4402 | MULTI-PURPOSE WASTE DISPOSAL/PORTALOO | | | 37,389.00 |
| MMCO-03 FUND 25 | Accumulated Amortization | | | 36,125.00 |
| Total | | | 73,514.00 | 73,514.00 |

SCHEDULE B

| Account | Description | W/P Ref | Debit | Credit |
|--|--|--------------------|-----------------|-----------------|
| Reclassifying Journal Entries JE # 2001 | | L-04 | | |
| To reclassify GASB 87 lessee principal and interest payment to debt service. | | | | |
| 01-2100-4810-0000 | INTEREST LEASES | | 72.00 | |
| 01-2100-4820-0000 | PRINCIPAL LEASES | | 2,548.00 | |
| 01-2100-4442-4403 | COPIER LEASE | | | 2,620.00 |
| Total | | | 2,620.00 | 2,620.00 |
| Reclassifying Journal Entries JE # 2002 | | FS / L-00-1 | | |
| To post rounding for financial statement presentation of leases. | | | | |
| 01-1320-4830-0000 | MISCELLANEOUS | | 3.00 | |
| 01-2200-4820-2601 | PRINCIPAL PAYMENTS - FIRE ROSENTHAL 2016 | | | 3.00 |
| Total | | | 3.00 | 3.00 |
| Reclassifying Journal Entries JE # 2003 | | H-04 | | |
| To post rounding for financial statement presentation of depreciation expense. | | | | |
| 30-3400-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | 1.00 | |
| 31-3252-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | 2.00 | |
| 31-3256-4801-0000 | DEPRECIATION EXPENSE | | 1.00 | |
| 30-3456-4801-0000 | DEPRECIATION EXPENSE | | | 1.00 |
| 31-0000-1650-0000 | MACHINERY & EQUIPMENT | | | 2.00 |
| 31-3252-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | | 1.00 |
| Total | | | 4.00 | 4.00 |

SCHEDULE C

| Account | Description | W/P Ref | Debit | Credit |
|--|-----------------------|---------|-------------------|-------------------|
| Proposed Journal Entries | | | | |
| Proposed Journal Entries JE # 3001 | | | | |
| To adjust LGIP to fair market value at 9/30. | | | | |
| | | C-05 | | |
| 01-0000-1010-0000 | CASH | | 49,656.00 | |
| 04-0000-1010-0000 | CASH | | 291.00 | |
| 05-0000-1010-1322 | IMPACT - PARK | | 5,999.00 | |
| 06-0000-1010-0000 | CASH | | 1,275.00 | |
| 08-0000-1010-0000 | CASH | | 9,230.00 | |
| 25-0000-1010-0000 | CASH | | 1,077.00 | |
| 30-0000-1010-0000 | CASH | | 44,466.00 | |
| 31-0000-1010-0000 | CASH | | 48,181.00 | |
| 33-0000-1010-0000 | CASH | | 2,478.00 | |
| 61-0000-1010-0000 | CASH | | 97.00 | |
| 65-0000-1010-0000 | CASH | | 523.00 | |
| 98-0000-1010-0000 | CASH | | 1,401.00 | |
| 01-fmv | LGIP market allowance | | | 49,656.00 |
| 04-fmv | LGIP market allowance | | | 291.00 |
| 05-fmv | LGIP market allowance | | | 5,999.00 |
| 06-fmv | LGIP market allowance | | | 1,275.00 |
| 08-fmv | LGIP market allowance | | | 9,230.00 |
| 25-fmv | LGIP market allowance | | | 1,077.00 |
| 30-fmv | LGIP market allowance | | | 44,466.00 |
| 31-fmv | LGIP market allowance | | | 48,181.00 |
| 33-fmv | LGIP market allowance | | | 2,478.00 |
| 61-fmv | LGIP market allowance | | | 97.00 |
| 65-fmv | LGIP market allowance | | | 523.00 |
| 98-fmv | LGIP market allowance | | | 1,401.00 |
| Total | | | 164,674.00 | 164,674.00 |
| Total Proposed Journal Entries | | | 164,674.00 | 164,674.00 |
| Total All Journal Entries | | | 164,674.00 | 164,674.00 |

*City of Sandpoint
1123 Lake Street
Sandpoint, ID 83864*

March 10, 2025

Magnuson, McHugh, Dougherty CPAs
P.O. Box 1379
Coeur d'Alene, ID 83816

This representation letter is provided in connection with your audit of the basic financial statements of the City of Sandpoint as of September 30, 2024, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City of Sandpoint in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the signature date of this letter:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 24, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

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- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements, summarized in the attached Schedule C, are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- We approve all the journal entries in the attached Schedules A and B for our financial statements referred to above.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the nonattest services provided, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;

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- Evaluated the adequacy of the services performed;
- Evaluated and accepted responsibility for the result of the service performed; and
- Established and maintained controls, including a process to monitor the system of internal control.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City of Sandpoint has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City of Sandpoint is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

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- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City of Sandpoint has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

 MAYOR, SANDPOINT, ID
Signature and Title

Magnuson, McHugh, Dougherty CPAs
March 10, 2025
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SCHEDULE A

| Account | Description | W/P Ref | Debit | Credit |
|--|---|---------|---------------------|---------------------|
| Adjusting Journal Entries JE # 1001 M-01 | | | | |
| To record the effect of GASB 68 as of the beginning of the current audit period. | | | | |
| 30.01 | GASB 68 Water deferred outflow | | 272,811.00 | |
| 30-0000-2530-0000 | FUND BALANCE | | 432,640.00 | |
| 31.01 | GASB Sewer deferred outflow | | 208,806.00 | |
| 31-0000-2530-0000 | FUND BALANCE | | 279,948.00 | |
| 30.02 | GASB 68 Water deferred inflow | | | 72,142.00 |
| 30.03 | GASB 68 Net pension liability | | | 633,309.00 |
| 31.02 | GASB 68 Water deferred inflow | | | 97,724.00 |
| 31.03 | GASB Net pension liability | | | 391,030.00 |
| Total | | | <u>1,194,205.00</u> | <u>1,194,205.00</u> |
| Adjusting Journal Entries JE # 1002 NPL 01.1 | | | | |
| To adjust current year NPL activity in the enterprise funds. | | | | |
| 30.02 | GASB 68 Water deferred inflow | | 1,854.00 | |
| 30.03 | GASB 68 Net pension liability | | 34,260.00 | |
| 30.04 | GASB 68 Change in NPL | | 93,374.00 | |
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| 31.04 | GASB 68 Change in NPL | | 81,702.00 | |
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| 30.05 | GASB 68 actual PERSI contributions (contra) | | | 53,674.00 |
| 31.01 | GASB Sewer deferred outflow | | | 66,337.00 |
| 31.05 | GASB 68 actual PERSI contributions (contra) | | | 46,965.00 |
| Total | | | <u>242,790.00</u> | <u>242,790.00</u> |
| Adjusting Journal Entries JE # 1003 M-00 | | | | |
| To tie out fund balance to the prior year financial statements. | | | | |
| 01-1320-4830-0000 | MISCELLANEOUS | | 2.00 | |
| 05-0000-2530-0000 | FUND BALANCE | | 1.00 | |
| 06-0000-2530-0000 | FUND BALANCE | | 2.00 | |
| 08-5180-4610-4616 | FACILITY SUPPLIES | | 1.00 | |
| 30-3452-4610-4616 | FACILITY SUPPLIES | | 1.00 | |
| 33-0000-2530-0000 | FUND BALANCE | | 1.00 | |
| 01-0000-2530-0000 | FUND BALANCE | | | 2.00 |
| 05-3170-4530-0000 | ADVERTISING | | | 1.00 |
| 06-5120-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | | 2.00 |
| 08-0000-2530-0000 | FUND BALANCE | | | 1.00 |
| 30-0000-2530-0000 | FUND BALANCE | | | 1.00 |
| 33-7000-4810-1162 | INTEREST PAYMENTS - WATER BOND 2012 | | | 1.00 |
| Total | | | <u>8.00</u> | <u>8.00</u> |
| Adjusting Journal Entries JE # 1004 M-02 | | | | |
| To reinstate lease assets and liabilities from PY audit. | | | | |
| 25-0000-2530-0000 | FUND BALANCE | | 1,264.00 | |
| MMCO-02 FUND 25 | Right of use lease asset | | 361,246.00 | |
| MMCO-03 FUND 25 | Accumulated Amortization | | | 325,121.00 |
| MMCO-04 FUND 25 | Lease Liability - Due within one year | | | 37,389.00 |
| Total | | | <u>362,510.00</u> | <u>362,510.00</u> |
| Adjusting Journal Entries JE # 1005 L-04 | | | | |
| To record current year sanitation lease activity. | | | | |
| MMCO-04 FUND 25 | Lease Liability - Due within one year | | 37,389.00 | |
| MMCO-07 FUND 25 | Amortization Expense | | 36,125.00 | |
| 25-3200-4442-4402 | MULTI-PURPOSE WASTE DISPOSAL/PORTALOO | | | 37,389.00 |
| MMCO-03 FUND 25 | Accumulated Amortization | | | 36,125.00 |
| Total | | | <u>73,514.00</u> | <u>73,514.00</u> |

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March 10, 2025
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SCHEDULE B

| Account | Description | W/P Ref | Debit | Credit |
|--|--|-------------|-----------------|-----------------|
| Reclassifying Journal Entries JE # 2001 | | L-04 | | |
| To reclassify GASB 87 lessee principal and interest payment to debt service. | | | | |
| 01-2100-4810-0000 | INTEREST LEASES | | 72.00 | |
| 01-2100-4820-0000 | PRINCIPAL LEASES | | 2,548.00 | |
| 01-2100-4442-4403 | COPIER LEASE | | | 2,620.00 |
| Total | | | 2,620.00 | 2,620.00 |
| Reclassifying Journal Entries JE # 2002 | | FS / L-00-1 | | |
| To post rounding for financial statement presentation of leases. | | | | |
| 01-1320-4830-0000 | MISCELLANEOUS | | 3.00 | |
| 01-2200-4820-2601 | PRINCIPAL PAYMENTS - FIRE ROSENTHAL 2016 | | | 3.00 |
| Total | | | 3.00 | 3.00 |
| Reclassifying Journal Entries JE # 2003 | | H-04 | | |
| To post rounding for financial statement presentation of depreciation expense. | | | | |
| 30-3400-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | 1.00 | |
| 31-3252-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | 2.00 | |
| 31-3256-4801-0000 | DEPRECIATION EXPENSE | | 1.00 | |
| 30-3456-4801-0000 | DEPRECIATION EXPENSE | | | 1.00 |
| 31-0000-1650-0000 | MACHINERY & EQUIPMENT | | | 2.00 |
| 31-3252-4610-4601 | OFFICE SUPPLIES/EQUIPMENT | | | 1.00 |
| Total | | | 4.00 | 4.00 |

Magnuson, McHugh, Dougherty CPAs
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SCHEDULE C

| Account | Description | W/P Ref | Debit | Credit |
|--|-----------------------|---------|-------------------|-------------------|
| Proposed Journal Entries | | | | |
| Proposed Journal Entries JE # 3001 | | | | |
| To adjust LGIP to fair market value at 9/30. | | | | |
| | | C-05 | | |
| 01-0000-1010-0000 | CASH | | 49,656.00 | |
| 04-0000-1010-0000 | CASH | | 291.00 | |
| 05-0000-1010-1322 | IMPACT - PARK | | 5,999.00 | |
| 06-0000-1010-0000 | CASH | | 1,275.00 | |
| 08-0000-1010-0000 | CASH | | 9,230.00 | |
| 25-0000-1010-0000 | CASH | | 1,077.00 | |
| 30-0000-1010-0000 | CASH | | 44,466.00 | |
| 31-0000-1010-0000 | CASH | | 48,181.00 | |
| 33-0000-1010-0000 | CASH | | 2,478.00 | |
| 61-0000-1010-0000 | CASH | | 97.00 | |
| 65-0000-1010-0000 | CASH | | 523.00 | |
| 98-0000-1010-0000 | CASH | | 1,401.00 | |
| 01-fmv | LGIP market allowance | | | 49,656.00 |
| 04-fmv | LGIP market allowance | | | 291.00 |
| 05-fmv | LGIP market allowance | | | 5,999.00 |
| 06-fmv | LGIP market allowance | | | 1,275.00 |
| 08-fmv | LGIP market allowance | | | 9,230.00 |
| 25-fmv | LGIP market allowance | | | 1,077.00 |
| 30-fmv | LGIP market allowance | | | 44,466.00 |
| 31-fmv | LGIP market allowance | | | 48,181.00 |
| 33-fmv | LGIP market allowance | | | 2,478.00 |
| 61-fmv | LGIP market allowance | | | 97.00 |
| 65-fmv | LGIP market allowance | | | 523.00 |
| 98-fmv | LGIP market allowance | | | 1,401.00 |
| Total | | | 164,674.00 | 164,674.00 |
| Total Proposed Journal Entries | | | 164,674.00 | 164,674.00 |
| Total All Journal Entries | | | 164,674.00 | 164,674.00 |