

Client Questionnaire – Financial Statement Disclosures

1. Have you prepared your financial statements in conformity with generally accepted accounting principles consistently applied?

The district uses the financial statements prepared by county to prepare one-page summary of activity since last board meeting. We do not prepare independent financial statements but rely on the county to know what they are doing.

2. Have all transactions been recorded in the accounting system? Please indicate any unrecorded transactions.

Yes, all transactions are recorded in the local summary. Hard copies of invoices, payment vouchers and deposits are maintained for additional reference.

3. Changes in any accounting policies?

There have been no changes in accounting policies since the last audit.

4. Are there any events that occurred after the end of the year that may have an impact on the financial statements (lawsuits, new debt, lease or revenue agreements, major purchases, etc)?

No.

5. Are you aware of any fraud or suspected fraud affecting the entity involving management or others where the fraud could have a material effect on the financial statements (for example, communications received from employees, former employees, or others)?

No.

6. Were there any significant unusual, extraordinary transactions that occurred during the year?

This was the year for a large expenditure for a large project, so that was unusual. We will now be in the saving mode until we accumulate enough funds to complete another large project.

7. Have there been any communications from regulatory or taxing agencies?

No.

8. Please provide all transactions with related parties including income, loans, leases, etc. Please provide relationship with related party, transaction description and \$ amounts.

No related parties.

Cash

1. Are there any requirements for compensating balances or other restrictions on cash? We no longer have a cash account. This was closed two audits ago, thank goodness. I hate cash handling.
2. Are there any checks written but not mailed and have they been properly reclassified into the liability section of the balance sheet? No. we do not write checks, we submit vouchers to county, which writes checks. There is no "district checkbook".

Accounts and Notes Receivable

1. Have receivables considered uncollectible been written off? We have no receivables.
2. Are there any new receivables from employees and related parties? No.
3. Are there any receivables pledged, discounted, or factored? No.
4. Any receivables used as collateral for borrowings? No.

5. Are there any receivables due beyond one-year? **No.**
6. Have significant numbers of sales returns or credit memoranda been issued after the balance sheet date? **No.**

Other Assets (Including Goodwill and Other Intangible Assets)

1. Whether other assets are impaired. **No assets.**
2. Proper classification of other assets between current and noncurrent. **No assets.**
3. Whether intangible assets with finite lives are being appropriately amortized. **No assets.**
4. Whether costs associated with computer software have been properly reflected as intangible assets. **All software is privately owned by directors and funded privately by each individual.**
5. Whether costs associated with goodwill have been properly reflected as intangible assets. **Would love to be able to spend goodwill, but I doubt Veerkamp and Vicini would go for it. They want cash.**

Property and Equipment

1. Is any property or equipment impaired or being held for disposal? **No.**
2. Property and equipment pledged or subject to a lien? **No.**
3. Are all assets in use or held for future use? **No assets.**
4. Are there any limitations on the organization's use of property and equipment? Donor restricted? **No.**
5. Have all gains or losses on disposal of property or equipment have been reflected? **Yes.**
6. Have all additions, retirements, abandonments, sales, or trade-ins have been recorded? **Yes.**
7. Are there any property or equipment that is mortgaged or otherwise encumbered? **No.**
8. Have the asset and liability sections of the balance sheet been grossed up to reflect any asset retirement obligations associated with tangible long lived assets? **Yes.**
9. Does the organization use property or equipment that it does not lease or own? Provide relationship between organization that owns property. **The district owns no equipment. Each director or other member uses his/her own location/office space/equipment (computers, printers, etc) to complete district tasks.**

Accounts Payable and Accrued Expenses

1. Existence of unrecorded accounts payable or accrued expenses. **None.**
2. Whether there are any collateralized liabilities. **None.**

Notes Payable and Long-term Debt

1. Whether the District is in compliance with loan covenants and agreements. **No loans.**
2. Whether there are any collateralized or subordinated long-term liabilities. **No long-term liabilities.**
3. Are any loans expected to be refinanced? **No loans, hence no refinancing.**
4. Any unconditional promises to give to other organization? **No.**

Net Assets

1. Have all restrictions (permanent and temporary) on net assets been provided and disclosed in the financial statements? **No assets, but we would disclose if we had any.**

Commitments and Contingencies

1. Are there any unrecorded contingencies or commitments at year end including the following:
 - a. Gain or loss contingencies resulting from lawsuits, guarantees, warranties, notes sold with recourse, etc. **No.**
 - b. Purchase commitments for quantities more than requirements or at prices in excess of market. **No.**
 - c. Agreements to repurchase items previously sold. **No.**
 - d. Sales commitments at prices expected to result in a loss on completion. **No.**
 - e. Existence of any guarantees, whether written or oral, under which the District is liable. **No.**
 - f. Existence of any environmental remediation for which the District is liable. **No.**
 - g. Any violations, or possible violations, of laws or regulations. **Not that we are aware of.**

Income/Expenses

1. Discontinued operations or items that might be considered extraordinary. **None.**
2. Any discounts given in exchange for goods or services provided to the organization? **No.**
3. How many employees were there? How often are employees paid? **No employees. One independent contractor who is paid when invoice is submitted.**
4. Describe the governmental unit's benefit plans, including vacation and sick pay policies and any employee pension, deferred compensation, or postemployment benefit plans. **No employees, hence none of above.**