



RESOLUTION NO. 2023-21

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

ESTABLISHING A THRESHOLD FOR REPORTING LEASES IN ACCORDANCE WITH GASB STATEMENT NO. 87, AND FOR REPORTING SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA'S) IN ACCORDANCE WITH GASB STATEMENT NO. 96

WHEREAS, GASB 87 Leases increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities; and

WHEREAS, The requirements of this Statement are effective for fiscal years beginning after December 15, 2019 [extended to June 15, 2021], and all reporting periods thereafter; and

WHEREAS, The District is subject to GASB 87 reporting standards for the FY 2022; and

WHEREAS, GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended; and

WHEREAS, The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; and

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WHEREAS, The District is subject to GASB 96 reporting standards in the FY 2023; and

WHEREAS, By establishing a minimum threshold for reporting, the District will eliminate the need to account for and report on any Lease or SBITA that is immaterial to the financial position of the District, increasing efficiency in the Finance Department; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Nevada Irrigation District establishes the minimum threshold for reporting Leases pursuant to GASB 87 and SBITA's pursuant to GASB 96 to a Net Present Value (NPV) of less than >1% of Fixed Assets for the applicable fund

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PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 24th day of May 2023, by the following vote:

AYES:	Directors: Bierwagen, Caulder, Johansen, Hull
NOES:	Directors: None
ABSENT:	Directors: Heck
ABSTAINS:	Directors: None



President of the Board of Directors

Attest:



Secretary to the Board of Directors