

## MINUTES

### **AUDIT COMMITTEE MEETING OF JUNE 16, 2022 Incline Village General Improvement District**

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Audit Committee Chairman Ray Tulloch on Thursday, June 16, 2022 at 4:01 p.m. via Zoom.

#### **A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS\***

Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), Matthew Dent (Trustee) and Raymond Tulloch (At-Large Member) (Chair)

On roll call, present were Cliff Dobler (At-Large Member), Raymond Tulloch (At-Large Member, Chairman) and Sara Schmitz (Trustee). Trustee Matthew Dent joined the meeting at 4:25 p.m.

#### **B. PUBLIC COMMENTS**

Linda Newman read from a prepared statement that is attached hereto.

Frank Wright said that he mirrors everything that Ms. Newman said but he would also like to compliment the workability, commitment, professionalism and the absolute uncovering of all the things that members of this community have been suspecting for a long time. It is almost sad that we have to lose this talented group of people and go forward with some of the remnants of the disaster we have had in the past but you know it is going to be quite evident after a couple of meetings. Luckily, Mr. Tulloch will be there to guide and correct and maybe encourage some educational values/ethical values of those who are joining the Audit Committee. This is our community and the things that have been going on with the finances, money, waste, way things were done, shuffling of money between accounts, the financial irregularities, filling out of financial statements that were improperly filled out and omitted – it's just horrible. To have an Audit Committee as good as the one we have right now, which is our last meeting of talent and now we are going to go into the dark ages again – it is just sad. You have to wonder where did all of this come from? Why would you take someone off who has served so eloquently on the Audit Committee and not put that person back on? Hopefully, Trustee Schmitz, you will come back. Hopefully, you won't be frustrated by the powers that be. Who is behind it? Why would anybody want to take off talent and replace it with the failure that has served before. Why would you put somebody in there that has no idea of what they are doing? They can't even balance their own checkbook and who has basically screwed up this whole community in their past performance both as an Audit member and as a Trustee. Luckily, we are going to have a new chain of command coming in here in November/December/January and the old guard is going to be gone somewhat but you know what, you have got to wonder why the

things have happened and why we see the Audit Committee members that are coming on – who orchestrated that? We all know. But you know what, why are they doing it? Because they are afraid, they are tired of being exposed for being incompetent, they are tired of having the finances exposed to the world and they are trying to shut it down. But it is not going to work, we already know. The cat's out of the bag. So he would like to thank you Audit members that have served and done such a wonderful job, he will miss you, miss your eloquence and he guesses we are going to have to suffer through a couple of years of total disaster. You know what, it is going to come around and there are people who are watching so we will see what happens. Thank you guys so much; you have done a great job.

Yolanda Knaak said that she is a 2022 IVGID candidate and that she thanks everyone for their hard work on the Audit Committee; everyone has done a great job.

**C. APPROVAL OF AGENDA (for possible action)**

Audit Committee Chairman Tulloch asked for changes; Trustee Schmitz would like to move General Business Item D.9 to the beginning because she thinks it is important for the public to hear our closing remarks. Audit Committee Chairman Tulloch and At-Large Audit Committee Member Dobler are ok with that change. The agenda is approved as revised.

**D. GENERAL BUSINESS ITEMS (for possible action)**

**D.0. Audit Committee Chairman's closing remarks for retiring Audit Committee Members (was General Business Item D.9.)**

Audit Committee Chairman Tulloch said first and foremost he's very grateful for the public comment. He thinks it's recognized the work that has been done by the Audit Committee. He would like to thank Trustee Schmitz, Trustee Dent and At-Large Audit Committee Member Dobler for their very professional work and the amount of effort that has gone in. Most of the public is probably not aware but basically all the Audit Committee materials that are submitted by the Audit Committee and all the agenda items are prepared by the Audit Committee members themselves and there is extensive research that goes on behind that so he thinks that's something that is well underestimated in the community. He thinks every member of the committee has made a terrific contribution here and he will come back to that at the end. First, he would like to generally talk about the role of the Audit Committee. The role of the Audit Committee, if he was to quote from

our charter, 15.1.0, and this comes from the GFOA guidance “*An Audit Committee plays a key role with respect to overseeing the integrity of the District’s annual financial statements by ensuring that those responsible for financial management meet the responsibilities for maintaining an effective system of internal controls over financial reporting. An Audit Committee is a practical means for a governing body to provide much needed independent review and oversight of the District’s financial reporting processes, internal controls, and independent auditors.*” And if he could provide another quote from 15.1.0 “*The scope and authority of the committee’s responsibilities. It is the responsibility of the committee to provide independent review, oversight, and feedback on financial reporting, internal controls, independent audit of the basic financial statements and the annual comprehensive financial report.*” He reads these excerpts from 15.1.0 because he thinks they are very important in terms of the role of the committee. First and foremost, the committee is not a political body, it is not designed to be a political body. Certain members of the community and sometimes Board members seem to think it’s a political organization. The Audit Committee is not responsible for how IVGID spends money, that is not part of our role, that is the role of the Board to decide on that. If the Board wants to decide to spend \$60,000 on a psychologist to make decisions for them, that is very much a Board decision. It is not up to the Audit Committee and it is not the role of the Audit Committee to question that. However, it is the role of the Audit Committee to ensure that all of that expenditure is properly accounted for and accounted for in the proper way. We must be able to ensure that we are reporting accurately both to our stakeholders and our primary stakeholders for the Audit Committee is our community at large and the residents that pay their taxes here. Our stakeholders, our role is not just to unquestionably support anything that the Board wants to do, that is not the role of the committee. He hears candidates and he hears Board members say we will sort out the Audit Committee, the Audit Committee is a blocker, the Audit Committee should be looking after stakeholders and supporting Management – that is not the role of an Audit Committee. The role of the Audit Committee is to provide independent and equitable oversight and why is it so important that we provide accurate financial reporting? It is important because we need to make sure that where money is being spent it is being properly accounted for and properly looked after. Particularly important when we are moving into a situation where we are going to have to borrow or bond probably somewhere of upwards of \$40 million to replace the Effluent Pipeline. If anyone thinks that possible lenders or bond holders will not look very closely at our financial statements they are probably smoking from NuLeaf. He thinks all of those that have been

involved in bonding, or major borrowing, know that this will involve basically a colonoscopy of our financial statements. So it is absolutely critical that we are reporting accurately. He wants to thank all of the members of the committee and he will make a final remark after that but he would like to pass it across to the members of the committee.

Trustee Schmitz read the following:

*It has been an honor and a privilege to have been a member of the Board of Trustees that spearheaded a new audit committee charter and reformed the audit committee. This was a bold and important strategic change for the betterment of the District and the community. It is this committee that can bring confidence, integrity and transparency to the District's financial reporting and internal controls; areas of long-standing and broad community concern. The prior board had an Audit Committee that didn't meet the minimum requirements of GFOA by meeting only once per year and had little, if any, oversight of the audit process. I encourage all of you to obtain the GFOA handbook on Audit Committees and Internal Control as they are great guides for you going forward. One thing I want to bring to your attention page 20 of the AC handbook where it highlights the importance of training for the AC members. They highlight that the training for the AC members "should underscore the duty of committee members to exercise an appropriate degree of professional skepticism in dealing with management." I feel having clarity and an understanding of this concept is important for the committee and management in furthering the value of the Audit Committee. While this AC didn't have formal training, I encourage the new members to formalize a training program for AC members. The Audit Committee is chartered to assist the Board of Trustees with their responsibilities for oversight of financial reporting and internal control. Over the past couple of years there has been some criticism regarding some of the topics taken up by the AC. I'd prefer to identify those topics and highlight how the AC has helped to facilitate Board decisions related to policies.*

- 1. The Audit Committee took up the subject of pricing policies of the District which originated out of a complaint filed by a community member related to Dillion's rule and the monetary authority of the District staff. The Audit Committee initiated what is now the first ever District pricing policy approved by the Board of Trustees. This is a huge success for all, including staff because now there is clarity related to pricing of products and services. While this topic wouldn't come before the Audit Committee today, it is an example of the Audit*

- Committee, staff and the Board of Trustees collaborating for the betterment of the District.*
2. *As the Audit Committee (AC) began receiving emails from Rec Fee and tax paying property owners, it became clear the District needed a means to facilitate and track anonymous complaints from anyone, employees, property owners and even non-IVGID passholders. This is a responsibility that GFOA identifies of the AC. The AC took on the task, began drafting proposed language for such a policy to be incorporated into the AC Charter. We finished our work, however the BOTs deferred taking action until Policy 15.1 was revised. This has been completed by the BOT, so I encourage this new AC to review what was drafted, revise it if needed and present it to the BOT for implementation before the end of 2022. The District needs to have such a process to demonstrate its openness and transparency.*
  3. *Another accomplishment and positive working relationship between the AC, staff and the Board of Trustees is the currently being discussed Resolution 141 to further address concerns related to the District's authority with regard to Dillion's Rule. District Legal Counsel has changed past policy related to cash donations and is in the process of reviewing with the BOT further revisions to ensure compliance with Dillion's Rule.*
  4. *We worked together and engaged Moss Adams to resolve long-standing financial reporting issues. I encourage you to familiarize yourself with this report and managements commitments for changes to be made. As a committee, we have documented our remaining concerns and haven't been provided the documents management committed to revise. I encourage you to take our baton and finish this important work.*

*This outgoing Audit Committee has made progress for the betterment of the District and the property owners. I welcome your talent and commitment to further the value provided by the Audit Committee. Please know that I will be supportive of your efforts and available should you ever have questions regarding what or why we were doing one thing or another. Thank you for your willingness to serve on this committee and assist the BOT with our responsibilities of oversight.*

At-Large Audit Committee Member Dobler read the following:

*Thanks Chairman Tulloch. First I would like to thank you, Sara and Matt for the concerted effort we have made over the past two years to bring forth the*

*deficiencies in financial reporting and internal controls and recommending corrective actions. It has truly been a pleasure to exchange ideas and seek advice from other sources to draw acceptable solutions. In 2014, Linda Newman and I and began investigating IVGID's financial reporting and its compliance or noncompliance with NRS, GAAP, and GASB. We worked hard, wrote several memorandums on deficiencies and never received a response. We spoke at Trustee meetings about the deficiencies and never received feedback. We saw the previous Audit Committee as nothing more than a rubber stamp of Staff decisions. When the CAFR for June 30, 2019 was brought forth, we saw so many errors and misstatements that we prepared a listing of points. We were pleased when Trustees Dent, Callicrate, and Schmitz realized the value of our reporting, realized enough was enough and decided to accept the CAFR but not approve it. They sent their reasons to the Department of Taxation. Their first priority was to form a legitimate Audit Committee with a defined set of responsibilities and a substantive Board Policy. The policy provided for three at large members and two Trustees. It was required that the At-Large Members would be independent. Trustee Schmitz developed a new policy which was Board approved in the spring of 2020 on a 3-2 vote with Wong and Morris dissenting. Ray Tulloch, Derrek Aaron and myself were appointed by the Board as at large members in July, 2020. Trustee Dent and Schmitz were the other trustee members. The first order of business was to get up to speed on the June 30, 2020 audit in process with Eddie Bailly. When the audit was completed, we were informed that there were material weaknesses in internal controls over financial reporting with findings that several accounts were materially misstated and there were material errors in the presentation of the CAFR. We knew at that time, we needed to drill down further especially as to internal controls and extensive capitalization of expenses. The second order was to resolve the 14 points of concerns and opinions on the June 30, 2019 CAFR which was prepared by Linda Newman and myself. In August, 2020, Paul Navazio provided a presentation on the 14 points and disagreed with all of them. The audit committee realized that the only resolution was to seek recommendations from Moss Adams, a regional CPA firm, on 4 major points and suggestions on the remaining 10 points and an additional 7 points discovered during the process. It was agreed by all involved that the recommendations would be accepted and all would live by those recommendations. The report was thorough and informative. During the process Moss Adams discovered several other irregularities and made recommendations. During the first year, Sara Schmitz sponsored developing a Whistleblower Program which we debated and completed, but was never approved by the Board of Trustees. We took on citizens' concerns*

*about violating NRS Dillion's Rule on free community programming, free services for the Diamond Peak Ski Racing Team, providing below market facility rents to Non Profits and extent of employee benefits. I personally did extensive research and provided an in depth review of the 3 items. IVGID's outside council provided an opinion. I did not accept the opinion that everything was incidental and therefore was allowed. By definition, incidental are items not planned. We were required to prepare a new RFP to select a new audit firm. We used the Washoe County RFP as a guideline. As a result, the new RFP is well defined on what is expected of audit firms. We were then required to select Davis Farr as the new auditor. We were required to review and modify an engagement letter and work plan with Davis Farr. After a citizen did considerable public record requests on internal controls and the material weaknesses reported by the auditors, we determined that the Director of Finance would continue to report progress on establishing new internal controls. At several meetings, we only received verbal reports but never received any actual internal control documents. We believed one of the largest challenges before us was an extensive review of capitalizing expenses as capital assets. This aggressive approach vastly understated operating expenses over the past 5 years. Moss Adams had concerns that, depending on the amounts involved, a potential restatement of prior CAFR's might be required. The Moss Adams report regarding capitalization was explicitly clear that preliminary project costs, such as, conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies, and development of financing alternatives should be expensed. In 2020, Staff charged off to expense capital costs of only \$803,514, however, did not address over \$3.1 million of preliminary costs on the effluent pipeline. We were unsuccessful in having the Board restate the 2020 CAFR based on statements that time had ran out, but with the promise that the charge off would occur in 2021. We immediately reviewed the construction in progress accounts and found an additional \$1.2 million which should have been expensed. These additional charge offs were ignored by Staff and not reported in the 2021 CAFR. We worked diligently in reviewing other capital projects and found that some of the historical costs would require expensing and clarification was needed on establishing components. We were excluded from participating in developing new policies. At this stage nothing has been resolved. The two most remarkable and truly unbelievable events were Board Chairman Callicrate and General Manager Winquest seeking Board approval of both the 2020 and 2021 CAFR's before the Audit Committee was able to provide a report to the Board on the committee findings. This was uncalled for and violated the Board's own Policy. As an independent member of the*

*committee, I was charged with a fiduciary responsibility to provide citizens with proper financial statements. I believe the entire committee took that responsibility seriously. I suggest that the entire committee is disappointed in the lack of cooperation by the Director of Finance in bringing to closure the material weaknesses in financial reporting and solving the capitalization issue. There was no leadership by the General Manager. The District will probably now have three consecutive years of material weaknesses in financial reporting and millions in prior period adjustments. The citizens will bear the costs of these weaknesses when they pay the higher than normal costs to secure bonds for the effluent pipeline and storage pond. I was honored to serve on the Committee. I will always be available to assist and answer any questions the new audit committee members may have. I will continue to provide public comments on outstanding unresolved issues.*

Trustee Dent said thank you to Audit Committee Chairman Tulloch, he appreciates the way he has run the meetings. Thank you to At-Large Audit Committee Member Dobler and Trustee Schmitz for their participation. Thank you to the community and the Board of Trustees for this appointment. There was a lot of progress made and it is not perfect but the Audit Committee has made a step forward in the right direction and that everyone took it very seriously. He hopes that the future Audit Committee will do their due diligence, oversight, and bring things to the Board and whether the Board takes it, that's a different matter. Thank you for taking it seriously as this is a huge change from how things were done in the years past. A lot of things were left unanswered and that was an area of weakness with the concerns of the Board members, etc. That is why the outlet is here and he is definitely excited to see how the new members contribute and build upon what we have started.

Audit Committee Chairman Tulloch said he will just take a couple of minutes to close out as well. Like the rest of the committee, he is very honored and humbled to have served and been able to serve the community on this investment committee. He looks forward to continuing going forward. He thinks the works of the committee has undoubtedly improved the financial reporting and he is particularly pleased that we have started to progress on internal controls as well and he thinks it is recognized by the General Manager and the Finance Director. He has also heard it stated, at a recent candidate forum, that really the Audit Committee was unnecessary because we have an excellent Finance Director. As any excellent Finance Director would tell you, any Finance Director always welcomes the work of the Audit Committee because the Audit Committee helps keep the Finance Director



straight and it also helps keep the Board straight. It makes sure there is ethical and professional and consistent reporting. So, particular thanks to all of you. He knows that everyone here has had to take both the slings and arrows from both sides of the community. He thinks if we are upsetting both sides of the community and going down the middle track we are probably hitting the mark almost correct. To take some of that blow back just as well as volunteers is remarkable and he thanks you all for that. So he looks forward to working with the new Audit Committee and will continue to work as before with the key guiding principles being transparency, accountability, and value. Thank you all for your efforts.

**D.1. Receive, review and discuss follow-up explanatory on Management Responses to Audit Committee report on Fiscal Year 2020-21 Annual Comprehensive Financial Report (ACFR) (Director of Finance Paul Navazio)**

At-Large Audit Committee Member Dobler went over the submitted materials and the outcome was that all present agreed that they didn't want to rehash this topic, there are disagreements and that the Director of Finance is taking this information and going forward.

**D.2. Receive, review and discuss Wastewater Treatment Plant Improvements (Audit Committee At-Large Member Cliff Dobler)**

At-Large Audit Committee Member Dobler went over the submitted materials and the outcome is that it is the District's hope, that with the new financial system that is being implemented, that the process will improve.

**D.3. Receive, review and discuss Burnt Cedar Disinfection Water Treatment Plant (Audit Committee At-Large Member Cliff Dobler)**

At-Large Audit Committee Member Dobler went over the submitted materials and the Audit Committee had a discussion with no direction being provided to Staff.

**D.4. Review, discuss and agree to Schedule/Work plan for Fiscal Year 2021-22 Financial Audit (Director of Finance Paul Navazio)**

Director of Finance Navazio gave an overview of the submitted materials. Audit Committee Chairman Tulloch said he doesn't see the final report being submitted to the Audit Committee – we need that. He would like to see more

regular reporting and some check in from the auditor in July and more regular reporting either 1-on-1 or to the committee. Director of Finance Navazio said the final report is due by the end of November and he did talk to Ms. Farr about regular check-ins. Ms. Farr's point was that if you look at the schedule, beginning the final audit in October, onsite the second week of October, and until they complete that work, it is unclear on the update they would be providing. If there is a desire to check in after third week of October and mid-November, we can try that. Audit Committee Chairman Tulloch said he thinks it would be helpful to have some more regular check-ins as this schedule looks very compressed. Director of Finance Navazio said look to that meeting in late August as being the check in and that's the idea. We are having some conversations about the Staff deadlines and will circle back. Trustee Schmitz said she has the same concerns about year-end and that it is important that the Audit Committee review the report because there were significant changes. It is an election year and we will have different people on the Board. The ACFR doesn't need to be submitted the day after it is presented because the governing body has 30 days to review that document before it is due to the Department of Taxation. Because this is an election year, we need to be very clear on the timing and how it is going to be carried out and that it doesn't need to be submitted right away. This all needs to be figured out and noted on the long range calendar. Director of Finance Navazio said yes, the final report doesn't need to be filed right after, the Board has to receive it and it is filed by end of December. It is presented to the Board and it is the final report. If the Board doesn't want to submit it, they don't have to it. That is the report and how the Board wishes to discuss it and comment on it. Trustee Schmitz said she does recall that the Department of Tax said if after it is presented, the Board of Trustees has 30 days for modifications. It might be simple things like footnotes and it is important to get this timeline mapped so there aren't surprises for Audit Committee or Board of Trustees. At-Large Audit Committee Member Dobler said what is real strange is that major public companies can get out a report in 75 days and posted in 90 days, and that we are just pushing it out. You can get a report done in 90 days. The Audit Committee has got to have the final financial statements that the auditor is willing to put an opinion statement on. The financial statements are prepared by Management and we need that window and the auditor gets the representation letter and if the Audit Committee doesn't agree, that final statement has to be agreed upon. We are preparing the financial statement to get to them and they provide their opinion. There is no reason this should take 6-months and Staff knows we can do better. There is no reason to stretch it out for 6 months and it shows a total inefficiency. Audit Committee Chairman Tulloch said he

concurr as that is how it is in the corporate world. This was jammed through to the end of November so we need to have some discussions with Staff and the Audit Committee to clear this up. He doesn't know when the election is. At-Large Audit Committee Member Dobler said it should be done in October. Audit Committee Chairman Tulloch said it certainly seems strange so let's discuss these comments with Davis Farr and get this a bit more logical otherwise will find ourselves in the same position as last year. At-Large Audit Committee Member Dobler said we should be approving our Management's statement and then it goes to the Auditor as we have to be on the same team to begin with. Audit Committee Chairman Tulloch said that this is Davis Farr's work plan and we have to add in the internal dates. Director of Finance Navazio said it is important, in the context of the audit and preparing financial statements, the role of the Audit Committee and it is Management's duty to provide them to the Auditor and that the Audit Committee shouldn't be telling us how to do that. At-Large Audit Committee Member Dobler said he wasn't suggesting that and using the auditors as a shield doesn't work for him. Audit Committee Chairman Tulloch said it becomes basically a fait accompli and both of you are correct here. Let's look at it, revise it and do what can be done to improve it. Trustee Dent had nothing further to add.

**D.5. Receive, review and discuss presentation regarding how revenue is treated for play passes and punch cards (Director of Finance Paul Navazio)**

Director of Finance Navazio gave an overview of the submitted materials. At-Large Audit Committee Member Dobler said he would like to have a discussion about the punch cards and Director of Finance Navazio explained it. Trustee Schmitz said she understands what he explained and her concern is, with the punch card, it has a value that stems from two different fees – community services and beach fee. The beach fund and the Community Services fund are not to be co-mingled because of the situation with Crystal Bay and she gave an example where the punch card is used 100% at the beaches, the portion that is being allotted for Community Services, and she has a concern about them being intertwined. When we are assigning these values, it is one-fifth of the total combined, but the components are broken down to capital, debt and operations, so to assign a value that has capital and debt, there are issues that need to be examined as it relates to the separation of the Community Services and Beach Funds. Audit Committee Chairman Tulloch said a lot of it is interesting, not sure how it came on the agenda, not sure it is an Audit Committee item and he does recognize that our revenue system is complicated and maybe it shouldn't

be. District General Manager Winqest said that this subject has been discussed so many times and that Trustee Schmitz brings up good points, however one of the main drivers, last time it was discussed, was that the golf season crosses over fiscal years, so the question is do you recognize all the revenue in May, when a play pass is purchased, and then what do you do when it gets used in another fiscal year? Most agencies defer the revenue to the date the program starts and there are several different ways to skin the cat and he agrees with consistency being the goal. Every product is not the same and he hopes this explanation helps. Trustee Schmitz said that this was very helpful about the revenue recognition. As a Trustee, she is concerned about the legality and having these monies represented on one card and she has worked hard to understand this and all of a sudden the light bulb went on. District General Counsel Nelson said he can work with Staff to determine the appropriate place to have this discussion. At-Large Audit Committee Member Dobler went over his suggestion about how the revenue should be accounted for. Director of Finance Navazio responded that it is the Board that allocates the facility fee through the budget. It really gets at the business model and you have to look at the whole picture. Trustee Dent had no comments.

**D.6. Review, discuss and approve Annual Audit Committee report to the Board of Trustees as per Policy 15.1.0 (Audit Committee Chairman Ray Tulloch) *(was General Business Item D.1.)***

Audit Committee Chairman Tulloch gave an overview of the submitted report. Trustee Schmitz made suggestions for some changes. At-Large Audit Committee Member Dobler made some suggestions for some changes. Trustee Dent had no changes but thanked Audit Committee Chairman Tulloch for doing this report. Audit Committee Chairman Tulloch said he will make the changes and submit the report so we don't have to have another meeting.

**D.7. Review, discuss and possibly update the Audit Committee Long Range calendar**

Audit Committee Chairman Tulloch went over the submitted document. Trustee Schmitz said she thought she had asked for a review of the capitalization policy, add a training plan for the Audit Committee members, and give a specific target date on the Whistleblower policy so as to have it approved by the end of this calendar year. Trustee Schmitz continued that she would like to suggest that they send it to the Board of Trustees in

October as it is a policy we need to get implemented. Audit Committee Chairman Tulloch said that there was a POOL/PACT training on Tuesday. Trustee Schmitz said that she was suggesting more of an Open Meeting training and that she recommends checking into using Washoe County as a resource. District General Manager Winquest said we can reach out to Washoe County and see what they do. At-Large Audit Committee Member Dobler asked about the look back time period and Audit Committee Chairman Tulloch said he needs to think about it a little bit. Trustee Schmitz said putting something about consistency onto the Long Range Calendar is a valid request. Trustee Dent had no comments.

**D.8. Review, discuss and determine if any further action is necessary on any correspondence received by Audit Committee**

Audit Committee Chairman Tulloch said no correspondence was received.

**D.9. Audit Committee Chairman's closing remarks for retiring Audit Committee members (was moved to the start of the agenda)**

**E. MEETING MINUTES (for possible action)**

**E.1. Meeting Minutes of June 1, 2022**

Audit Committee Chairman Tulloch asked for changes, none were received so the meeting minutes were approved as submitted.

**F. PUBLIC COMMENTS\***

District General Manager Winquest thanked the Audit Committee for their work.

**G. ADJOURNMENT (for possible action)**

The meeting was adjourned at 6:32 p.m.

Respectfully submitted,

Susan A. Herron  
District Clerk

Attachments\*:

\*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.

Submitted by Linda Newman – June 16<sup>th</sup>, 2022 IVGID Audit Committee Meeting  
Public comment

June 16<sup>th</sup>, 2022 IVGID Audit Committee Meeting Public Comment

By: Linda Newman – to be included with the Meeting Minutes

I appreciate and commend this Committee for your outstanding efforts to serve our Board and our community. Your commitment to financial transparency and accountability is evident in your relentless determination to improve the District's financial accounting and reporting. Each of you have volunteered your time, talent and experience to mentor our Board, Staff, one another as well as providing a platform for our citizens to express their compliments and their concerns.

After two years, Trustee Schmitz, you have a great many accomplishments to be proud. Just to name two, your extensive research and outreach produced an effective Audit Committee Policy and much needed Whistleblower Practices. Facing impasses and conflicts, you took a stand on providing solutions. As an active and engaged Trustee, you still found the time, energy and resources to communicate and work with other Trustees, Committee members, Staff, concerned citizens and independent consultants. As a pioneer of change for the better, you suffered your share of arrows and obstacles. Despite this, you stood strong and stood up for what was right. We will all miss your participation on this Committee and hope that a new Board will value your contributions and reappoint you next year.

Trustee Dent, you served as the first Chair of the new Committee and set the right tone for taking long overdue corrective action. You shared your construction and project management expertise and showed great respect for your fellow members and citizens. You, too, will be missed.

At large member, Mr. Dobler, your comprehensive research, prolific communication, outreach and diligent efforts to restore the integrity of the District's financial statements, construction and project management, budget process, and compliance with GAAP, Nevada State Law, as well as Board policies and practices have been unparalleled in the 30 years I have resided here. All of your contributions have been exceptional. Thank you for doing all the heavy analytical lifting and always upholding the correct principles even in the face of great adversity. Your presence, perseverance and extraordinary intellect will be missed.

Chair Tulloch, I am gratified that you will be continuing as Chair and will further strengthen the impact of this Committee. I am hopeful that you will also be elected as Board Trustee this November. You have set a new standard for well organized, comprehensive and respectful public meetings that make a big difference in exercising oversight.