

**AUDIT COMMITTEE MEETING OF JANUARY 27, 2021**  
**Incline Village General Improvement District**

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Audit Committee Chairman Matthew Dent on Wednesday, January 27, 2021 at 4:00 p.m. at the Boardroom located at 893 Southwood Boulevard, Incline Village, Nevada. This meeting was conducted virtually via Zoom.

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

On roll call, present were Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), Raymond Tulloch (At-Large Member), Derrek Aaron (At-Large Member).

Also present was Staff member Director of Finance Paul Navazio.

There were no members of the public present (State of Nevada, Executive Directive 006, 016, 018, 021, 026, and 029).

**B. PUBLIC COMMENTS\***

Dick Warren said 5 years ago Linda Newman & Cliff Dobler (now referred to as L&C) got very involved in the CAFRs that IVGID submits to outside auditors, primarily Eide Bailly (EB). After about 5 years of harping away at the likes of various Boards, EB, and other governmental departments, L&C started to get traction. A year ago the Board finally consisted of 3 good Trustees – Callicrate, Dent & Schmitz. They formed an Audit Committee and put smart and knowledgeable folks on that Committee as At-Large Members - Derrek Aaron (CPA/IT/Project Management), Cliff Dobler (CPA/Real Estate Expertise), and Ray Tulloch (Construction/Utility Management Audits). The Audit Committee brought in Moss Adams to review all the findings, mistakes, and inconsistencies in the CAFRs that L&C had uncovered over the past 5 years. L&C came up with 24 points that had been raised in the 2019 CAFR. Moss Adams concluded that all 24 points had merit but a restatement of 2019 was not required. And then EB, in their final audit report on IVGID, made reference to these findings, although for some unknown reasons EB never had any problems with their previous years' audits. If it had not been for the diligence of L&C, would anything have been different today? No Trustee forced any issues; in fact, Trustee Wong tried to circumvent these probes over the years. No one on Staff pushed L&C to pursue these items; for the most part IVGID Management over the years abhorred their endeavors (think Pinkerton). And it certainly was not EB that did anything with the information L&C came up with. No, it was just these 2 Incline Village residents that decided to take on IVGID's

financials. You might want to compare CPA Wong's contributions over 6 years to L&C's efforts over 5 years; who added more to the plate? Trustees Callicrate & Dent tried to push constructive reform over the past few years but they were in the minority, I wonder where Wong was? But finally a year ago things started to realign with the Board getting 3 decent Trustees, Moss Adams came along compliments of the Audit Committee, and we now know, and confirmed by Moss Adams, that IVGID's financials are a complete mess. And now the clean-up will begin, but remember, had it not been for L&C, we never would have known how bad IVGID's financials were. Perhaps we could have Trustee Wong present them with an "Incline Village Good Citizenship Award"??? Sometimes those "malcontent residents" are the ones really contributing positively to the Community. Thank you Linda & Cliff! That's it for me.

Linda Newman said she strongly encourages you to recommend the engagement of Davis Farr to provide independent auditing services, to accept the final Moss Adams Report and to include their recommendations in your Annual Committee Report to the Board. Simply stated, our Community has suffered the consequences of a less than competent auditing firm, an IVGID Audit Committee that existed in name only for too many years and Management that operated without any oversight, internal controls or interest in complying with financial transparency and accountability. Tonight, you have the opportunity to set the District on the right path forward and provide a solid foundation for the District's proper and appropriate accounting and reporting. By recommending to the Board that the District's 2020 CAFR be revised to comply with GAAP and Best Practices as outlined in the Moss Adams report, you will fulfill your role as an Audit Committee as stated in Policy 15.1 to ensure that those responsible for financial management –auditors, management, and the Board of Trustees –meet their respective responsibilities for internal controls compliance and financial reporting. Now is the time for our CAFR to provide complete and accurate information that is transparent about the use of our tax, fee and ratepayer money with a detailed accounting of all expenditures to ensure that the State, the County, our Board, our citizens and our creditors have meaningful information on our District's financial condition and performance. Collectively, this Committee has more academic credentials, accounting, auditing, project management, IT, Utility, Investment and leadership experience and expertise than our Board and current Senior Management. Thank you Trustees Dent and Schmitz for all of your efforts and Mr. Aaron, Mr. Dobler and Mr. Tulloch for generously volunteering your time and talents to improve our District's performance and accountability.

Michael Abel said last winter the 2019 CAFR was presented to the Board of Trustees. The Audit Committee during that time, comprised of Wong, Morris and

Horan who were an audit committee in name only. Acceptance of the CAFR was postponed until Sara Schmitz was elevated to the board in January 2020. The Board accepted the proposed CAFR but Callicrate, Dent and Schmitz questioned several items in the CAFR based on research by Cliff Dobler and Linda Newman over the past four years. Last May, with Schmitz's initiative, a new Audit Committee Policy was approved with, predictably, Wong and Morris objecting. For them tolerance of wasteful spending and bad management is a given. Again, Wong objected to the appointment of two eminently qualified at large members. Immediately, the committee engaged Moss Adams to review and make recommendations on 4 of the 27 accounting deficiencies alluded to by Dobler and Newman. Management only addressed 14 of the 27. Of the four items reviewed by Moss Adams, they counseled to immediately cease the bad accounting indicated by the four, and said that the remaining should be addressed in future CAFRS. Moss Adams was also engaged to review contract management on 7 contracts. Here they indicated a high risk of fraud. The Board policy on contracts was updated, with again, Wong objecting. Management recently engaged a firm to review the Utility fund management which is in shambles. The CAFR for 2020 is a clear example of what a good audit committee can achieve. While Eddie Bailly had the audit for 4 prior years, they and Wong stated everything was ok ignoring big red flags. With a functioning audit committee, Eide Bailly found 19 accounting errors of \$3.5 Million which had to be corrected and an additional 5 miscellaneous errors of \$358,000. The auditors Internal Control Report indicated a material weakness in **Internal Controls** over Financial Reporting and, **in plain English**, hiding expenses in capital assets. Wong's recent attack, abetted by an ex-employee, on her fellow Trustees and Dobler was a disgusting violation of board policy and decorum. I implore our Trustees to keep the audit team together so that IVGID can come out of the "do nothing – see nothing" Wong era. My final comment this evening relates to the so called "whistleblower Procedure" subsection – "Acting in good faith." He encourages this committee to trash this proposal. Ill-conceived is the part of this proposal that relates to public criticism of the district. This is a sideways effort to quash public dissent. If he for instance, even maliciously, want to call Trustee Wong, dishonest, stupid, corrupt and on the vig – something that for the record, I would never do, I should still have the right to do that without having my recreational privileges removed. Who will be IVGID's judge, jury and executioner?

Margaret Martini said wow! what a difference a new and vastly improved Audit Committee makes! In 2020 we had a new Board Chair, Vice Chair and Treasurer who understood the importance of financial transparency and complete and accurate financial reports. All understood the importance of an active and engaged Audit Committee. Trustee Treasurer Schmitz took the time to develop a strong

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Committee Charter and Vice Chair Dent took on the responsibility and leadership of the Committee. Along with the expertise of our three volunteer community members -and the independent Moss Adams reports on our contract management and four key accounting and reporting issues --our external auditor finally started to do their job. So, thank you Board Chair Callicrate, Audit Committee Chair Dent, Trustee Schmitz and Messrs. Aaron, Dobler and Tulloch for doing everything you can to improve our financial statements and the District's compliance with State laws and District policies and practices. Fortunately, now, after too many years, our independent auditor expressed what all of our active, informed and knowledgeable community members have repeatedly asserted: The District has a material weakness in internal controls across the complete spectrum of District activities and does not adhere to appropriate accounting and reporting policies and practices. Unfortunately, our new GM and Director of Finance have followed in the footsteps of their predecessors and signed a Management Representation letter that is well, filled with misrepresentations. There are pages of auditor adjustments to management's submissions that equal close to \$4 million. And that is only the beginning. In addition to disregarding their responsibility to comply with Policy 15.1 and failing to provide this committee with all reports and letters before submittal to the external auditor along with other failures too numerous to mention, they have presented a CAFR in the eleventh hour without adequate time for this Committee and our Board to review before the end of January deadline for submittal to the State. So, as citizens requested at the last meeting, she asks Committee Chair Dent to seek an extension for submitting the 2020 CAFR. Please take the time to get this right. Your citizens, your State, your County and your creditors are counting on it.

Frank Wright said to listen to the comments so far, you have to give accolades to members of community who step forward to expose the financials. This place has problems. Let's look at the Hyatt pro shop. We are funding a sport shop to sell a private entities goods, the Village Ski Loft. They got through our point of sale system, we rent the space, we staff with employees, they sell goods. We assume and absorb a \$200,000 of parcel owners' money. Why wouldn't you shut it down after 10 years when it loses money each year. It's supposed to be for our recreation. The oversight from the financial gurus at the district money should have shut it down. We should get rid of it as soon as possible.

Aaron Katz said as he looks at the proposed the whistleblower procedure it struck me that everything wrong with IVGID is our wonderful employees. He said he is tired of being told how wonderful they are and we have to go to the end of the earth for the employee. He said he is tired of reading they are the most important asset. We will go to no end to appease them according to Wong and Morris. Free rec

privilege for employees and their families. Unmonitored of use of district procurement for personal meals because they had a tough week. Gold cards, silver cards. Other employee termination benefits. Staff propose policies from preventing Trustees from directing employees even though it says NRS 318 that is their job. Staff blame the attrition of employees on anyone other than their selves. They are creating a policy to go after citizens who criticize what they do. Who are we for? Who is the master and servant? Put your feet down. The GM has to understand who he is working for. If he doesn't get it, he should find another job. I'm tired of feeling like another like a second-class citizen. When there is a conflict with employee and property owner, they need to be resolved in favor of the property owner. Are my rec privilege going to be suspended because comments are deemed malicious? What about Judy and our grandkids? All you care is about money. Indra was disingenuous about gold and silver cards and the deaminases drain on the beach. How about 140 property owners in Crystal Bay? Would it be a deaminases drain to give them beach access? Let's get what is right in this community for once.

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

Audit Committee Chairman Dent asked for any changes; hearing none from the other Audit Committee members, he moved General Business item D.5 to General Business item D.1 and General Business item D.4 to General Business item D.2.

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

**D.1. Staff update on Request for Proposal for District's Auditor  
(Requesting Staff Member: Director of Finance Paul Navazio)  
(this was General Business Item D.5.)**

Director of Finance Navazio gave a verbal update of the submitted materials and he noted a correction. The Board needs to select their auditor in first meeting in March. A special Audit Committee meeting may need to be scheduled to receive feedback and provide recommendation of new auditor. Audit Committee At-Large Member Dobler stated there are two candidates that are equally good. In response to Audit Committee At-Large Member Dobler's inquiry of the selection committee, Director of Finance Navazio stated there are two staff members and two members of community as part of the selection committee. The group would make a recommendation to full Audit Committee. Audit Committee Chairman Dent noted if the group cannot make a tie break, the Audit Committee can help make that decision. Audit Committee At-Large Member Aaron stated they created a short list from the

Request for Proposal and held interviews yesterday and today. They both have good qualifications. They could handle the work. It's about refining it further. We would have to sit down with the selection committee to put it down on paper and make a scoring system. He said they spent an hour with each firm with good information exchanged. Director of Finance Navazio suggested each member think about it and we will convene, as a group, to discuss a selection. Audit Committee At-Large Member Tulloch asked Director of Finance Navazio what 3 firms that applied. Director of Finance Navazio stated since we haven't circled back with those candidates that did not advance, he stated he preferred not to identify until the committee makes the recommendation. Audit Committee At-Large Member Dobler asked if it is the Nevada Revised Statutes that would prevent you from telling the Audit Committee who the two firms were? Director of Finance Navazio stated to be fair to firms, it would be his recommendation to reveal when we bring them forward with recommendation. Audit Committee Chairman Dent thanked them for their work and review of a future auditor. Audit Committee Chairman Dent said the next step is to determine special meeting. He reviewed the Board of Trustees' long-range calendar and highlighted the February 10 regular board meeting and February 24 workshop. He said we could fit into the two-hour window. He asked if 4:30 on February 10 or February 24 worked for the Audit Committee. He stated February 10, as a special meeting, would allow a week to work through final decision. Director of Finance Navazio stated sooner is better than later. He said it would allow us to discuss and get it to the board in first meeting in March. Audit Committee Chairman Dent agreed and asked if February 10 worked for the committee members. Audit Committee Members stated they can make that special meeting.

**D.2. Receipt of the final Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 (Requesting Staff Member: Director of Finance Paul Navazio) *(this was General Business Item D.4.)***

Audit Committee Chairman Dent provided background of this process and an update until to this point in time. He reviewed the policies that pertained to this process. He noted the policy can be reviewed at a later time. Audit Committee At-Large Member Dobler referenced Policy 15.1, Section 2.5. He said reviewing financial statements may fall into our responsibilities. He said he has 6 major items and 50 corrections to the CAFR. He said we may want to break this up into sections. Basic financial statements, auditor reports, and representation letter by the management of IVGID. We have a lot to

cover. Trustee Schmitz said she appreciates the work performed of the Director of Finance's team and Ms. Williamson. It's important to follow our own policies. We won't have time to give anything in writing to the Board tomorrow evening due to compressed timeframe. She said we are being asked to press everything but we should do things right. If after tonight's meeting and discussion, we feel, as a group, we feel need to represent to the Board, we need to make decisions on how that gets handled. We shouldn't ignore policy and do things right. She said she believes Director of Finance Navazio and District General Manager Winqest want to make things right. It's been a collaborative effort. She said she wants to deliver on that. Audit Committee At-Large Member Tulloch agreed with Trustee Schmitz. He noted that last week we are having a gun held to our head that we have to submit the CAFR. He said he's not prepared to be signing off until further review to validate these things. He said there is a glaring error in CAFR of \$3 million of capital in utilities that haven't been committed. It's more than material. Audit Committee At-Large Member Aaron stated he appreciated Trustee Schmitz and Audit Committee At-Large Member Tulloch's comments. He said there has been great points. He said he will focus on final report from Moss Adams. A big nod done by Ms. Newman and Audit Committee At-Large Member Dobler to bring these to our attention. Audit Committee At-Large Member Dobler moved forward with these points with Moss Adams. He asked if these are suggestions for improvements, and if so, what does it do to the audit work that already has been done. He said he will keep an open mind. He said he is not leaning towards making a recommendation. Director of Finance Navazio gave a verbal update of the submitted materials. Tiffany Williamson, from Eide Bailly, presented the Auditor's report. Audit Committee At-Large Member Dobler asked if these have been reported to Management. She noted these were the one's identified and brought to Management's attention. Trustee Schmitz noted in this report of journal entries, that the prior years' aren't identified. It would be helpful if the prior periods were indicated and how far back this goes. Ms. Williamson said she only sees adjustments related to governmental type activities and there are similar issues in utility fund. Trustee Schmitz asked if that was not examined or was it only focused on governmental type? Ms. Williamson said they examined business and governmental. She referenced the entry for current year with business type activities. There are adjustments to utility fund for current year. She said in looking at prior years, she said it's noted in utility fund, they were trivial, and not worth noting. She said they tested that fund. Trustee Schmitz asked how many years did it go back. Ms. Williamson said we look at current year additions, as we noted errors in this year, and errors in CIP and service, she said we looked back

at June 30, 2019 fixed asset listing and net value we. She said they performed testing on that listing to see if anything else would qualify. We could look at our documentation. Director of Finance Navazio said in capitalization, he said we reviewed every asset that we are carrying on books, capital fixed asset that are greater than zero. Some were capitalized at the tail end from 20 years ago and some assets just got put in. He said we are looking at financial statements of current year of capital assets. He said Moss Adams listed it as an issue, so we went back. He said we looked at clear errors. There is discussion to be had and discussion about best practices to handle the majority of items that are grey areas. Management did their best to bring attention to that which needs adjusting in capital and depreciation expense. Audit Committee At-Large Member Tulloch said it was the first time he heard \$3 million as being trivial. He noted if you look at agenda packet page 25, Board policy defines rules of capitalization; he read the policy. Moss Adams identifies it as the export pipeline. It's appalling to sweep it under the carpet. It's a major part of net position. He asked why it is being ignored? Director of Finance Navazio said, in discussion with Moss Adams, they identified things to look at and we looked at them. He asked what constitutes a repair and replace. We expense items that clearly are in our view and Ms. Williamson agreed that met definition of expense. He said the ones where there were room for discussion, we continue to review them. Most of them are consist with Board policy with capitalization. He said he wasn't going to change them. There is a high threshold to appropriate to expense. Ms. Williamson agreed with Moss Adams and the committee. She said you need to strengthen policy and procedures. She said we aren't ignoring \$3 million of repairs. Audit Committee At-Large Member Tulloch said he has experience with utilities and capitalization. Staff time is not eligible for capitalization. It's not appropriate to retroactively modify a Board policy. Director of Finance Navazio said there is a belief that Moss Adams thinks that Staff time isn't appropriate to be capitalized. He said that's not our position. We went back to Moss Adams for their guidance. The way we approached it was consistent with Moss Adams. Audit Committee At-Large Member Tulloch said Staff time in advance is not capitalized but rather during the project. We will agree to disagree. Ms. Williamson said no one retroactively modified the policy. However, it's Moss Adams general recommendation. Ms. Williamson said we did find errors. She said Moss Adams stated if the policy was clarified, it would help the District with compliance. Audit Committee At-Large Member Dobler provided history and background about the export pipeline. He said in 2012, after completing the first phase and receiving funding from the U.S. Army Corps of Engineers (USACE), we realized that we needed to do sections 2 and 3. We had break,

and were asked to review sections 2 and 3 there, but there was no funding in 595 program and IVGID had to do it. He said the Board policy was drafted by people who don't have professional accounting experience. If it doesn't agree with Generally Accepted Accounting Principles (GAAP), accounting principles win hands down. We were trying to determine where are we. He said they evaluated where to put the new line – put it in the middle of the highway or the side of the road. He said Staff was working with USACE to get Federal funding. That's what we have been doing the last 8 years. We have accumulated, according to presentation, \$5 million which included \$900,000 in staff time. Staff was trying to figure out alternatives and talking to the Tahoe Transportation District and the Environmental Protection Agency. They came back and did another demand because the first one didn't do so well. It was the preliminary development stage. Staff didn't have the bandwidth. Outside consultant is going to figure it out from scratch. We got 1,100 feet of pipe in two locations. We spent 8 years. We had Marcus Faust and USACE but no one wanted to lay out \$38 million. He said capitalization falls under Statement 4 of GAAP. He said based on the presentation, \$3 million is still being capitalized on installation and repairs in 13 locations with 1,100 feet of pipe. Most of this wasn't in that budget. IVGID didn't want to do this project and was looking to partner with someone. Director of Finance Navazio said we didn't capitalize because of Board policy; we believe based on Moss Adams and Eide Bailly that it was capital expenditures. Audit Committee At-Large Member Dobler said he is following the process and knows how the money was kept. Last year, he made a public records request. He said he doesn't see how Moss Adams agrees with you. This needs to be expensed, period. He will rely on Audit Committee At-Large Member Tulloch who has experience. Audit Committee At-Large Member Aaron stated he wanted to play devil's advocate to address to capitalize or not to capitalize. He stated in defense of why these were capitalized. He said the reason they made that decision, based on the information of the time, they thought the project was going to happen in the near future. Throwing that idea into the mix. Audit Committee Chairman Dent asked if Ms. Williamson reviewed Audit Committee At-Large Member Dobler and Moss Adams' reports. Ms. Williamson said yes. She said she agreed with concepts but there is room for interpretation. She said those items were appropriate to capitalize based on our conclusion. Ms. Williamson continued her presentation. Audit Committee At-Large Member Tulloch spoke about appropriate policies in place and the Board's responsibility to put that in place. Ms. Williamson noted policies weren't appropriate since they didn't stop all errors from being noted. She said the recommendation is to strengthen to prevent further errors. Management is responsible for

procedures, but the Board is responsible for capitalization policies. Audit Committee At-Large Member Dobler said he went through the representation letter with Audit Committee Chairman Dent. There is a lot of stuff in here. He said he is assuming you are including things that management has given you and therefore you put them in your audit. He said he found 8-10 things that are not true. He said we didn't see any of the external letters. He said the effects of all this is or face potential litigation is that it has to be a disclosure according to GAAP. Ms. Williamson stated it's based on testing and required in auditing standards. She stated they don't rely solely on the management letter. She said we get confirmations directly from the attorneys, not from the District. Formal letters from lawyers to auditors. Ms. Williamson said we get it directly from attorneys. Audit Committee At-Large Member Dobler asked how do we do our fiduciary duties if he can't see the legal letters. Ms. Williamson said letters go directly to auditor. She said there was no litigation and, based on attorney letters, we felt that was reasonable. Audit Committee At-Large Member Dobler stated there is the ongoing Smith litigation. Ms. Williamson referenced agenda packet page 415 and stated possible litigation and claims are disclosed according to us. She said it's accounted for and disclosure is included. Audit Committee At-Large Member Dobler asked for the last 13 points of the 27 findings as we have only received the first 14. Audit Committee At-Large Member Aaron confirmed that when they are doing the audit and they reach out to attorney or legal firms, those letters go directly to auditors. He stated loans and statements will come directly from those sources and not through the client's hands. Trustee Schmitz asked if the Smith litigation is stated as an outstanding liability in CAFR? Ms. Williamson said because it's not required, no. Trustee Schmitz asked if the assessment of risk for financial statements is accurate? Ms. Williamson said all is accurate. She stated it was a verbal conversation and don't have a formal risk assessment document. Trustee Schmitz asked about due diligence of fraud such as speaking with those in cash management? Ms. Williamson said she can provide that list of people she spoke to even though they normally don't provide it; Ms. Williamson named the people who she spoke with. Trustee Schmitz said it didn't include anyone one from utilities or cash management? Ms. Williamson said if people had concerns or questions they would go to Human Resources. Trustee Schmitz said given the Moss Adams report about contract management, you didn't speak with those who was involved with those projects or engineers or anyone from reports with deficiencies with deliverables? Ms. Williamson said we did trace back to the testing in our capital asset and understand the risk but found no errors in amounts reported and found the test was appropriate. Audit Committee At-

Large Member Dobler asked for clarification and referenced agenda packet page 417. He said Moss Adams and Trustee Schmitz worked on this for the PICA contract. He believed we overpaid that contract by \$200,000. He said he didn't know what the District would do to get the money back from them. He said change orders were not issued. They never put a dollar amount to it. He said we have a lot of material issues here. We need more of an in-depth audit. Director of Finance Navazio said Moss Adams identified areas of improvements, material weakness, and change order and timing of change order with process and payments. He said he would love to circle back on anything from that report to suggest potential fraud that should have been tested more than what Ms. Williamson tested. Trustee Schmitz said we paid for deliverables that were not received; they didn't put a dollar amount on that. The only thing they put a dollar amount was the amount over the contract amount. It reduced the scope but not the payment. Moss Adams didn't quantify that value. Audit Committee At-Large Member Dobler said if you didn't produce a change order to reduce the scope, then how would the accounting department know not to overpay. It's well defined in the contract, they paid the full amount, and we didn't get the goods.

At 6:00 p.m., the Audit Committee took a 15-minute break. The Audit Committee meeting resumed at 6:15 p.m.

Audit Committee At-Large Member Tulloch asked Director of Finance Navazio about a journal entry to record a gift card breakage. Director of Finance Navazio there was a program that has been discontinued where the District sold a number of Diamond Peak gift cards through Costco. We showed liability gift cards that have not been cashed that have been sitting out there. It's a deferred revenue account. We left 5% in event some show up. Audit Committee At-Large Member Dobler referenced representation letter found 19 errors, but it wasn't changed. He said we looked at the footnotes on debt and compensated absences. He asked why it wasn't corrected. Ms. Williamson said compensated absences are on government statements. Director of Finance Navazio said its sick leave retirement amounts. Audit Committee At-Large Member Dobler recommended breaking things out into 5 sections: transmittal letter, organizational chart, and management analysis as that would be a good way to go through it.

#### **Transmittal Letter**

Audit Committee At-Large Member Dobler stated the transmittal letter is not looked at by Eide Bailly because it's not required. He referenced the second page of the letter about the pipeline. Statement of utility rates support

infrastructure. 6 miles are identified for replacement which is expected to cost \$15 million but \$38 million based on statement given in 2019. He asked why we don't just say \$38 million. Audit Committee Chairman Dent said it might be the old information. Audit Committee At-Large Member Dobler said it was always \$23 million. Audit Committee At-Large Member Aaron said that could be a stale number and needs to be adjusted to current times. Director of Finance Navazio said it's a yet to be defined scope. He said we didn't just roll the number; we don't have an official number. Trustee Schmitz said in effort to be forthright, it should acknowledge that the audit identified weakness with internal controls and procedures. It would go a long way to openness and transparency. Audit Committee Chairman Dent agreed. Audit Committee At-Large Member Tulloch asked, in response to Audit Committee At-Large Member Dobler's point on infrastructure, why we are collecting \$2 million a year? Director of Finance Navazio said we aren't collecting \$2 million, we are reserving it. Audit Committee At-Large Member Tulloch said it's not been restricted. Director of Finance Navazio stated there are notes on the statement about the Board action to reserve those dollars for the project. Audit Committee At-Large Member Dobler referenced agenda packet page 426 and talked about policy direction related to the Recreation Fee and talk about the policy of smoothing. There has never been a policy of smoothing. He spoke about commitment of fund balances. He noted fund balance of unrestricted net position is mixed up. Moss Adams pointed it out that it's not clear of what's being said. You don't designate restricted, committed, and assigned. In response to Audit Committee At-Large Member Dobler's comment, Director of Finance Navazio said this was his approach to the transmittal letter for non-accounting experts that may not understand the distinctions.

### **Organizational Chart**

Audit Committee At-Large Member Aaron noted a member of the public stated that the organization chart wasn't updated; he said it's a snapshot in time. Director of Finance Navazio said the organizational chart is reflective as of June 30, 2020.

### **Management Discussion and Analysis (MD&A)**

Audit Committee At-Large Member Dobler referenced financial highlights based on government wide financial statements. He said he saw two things – statement of net position and statement of activities. Third bullet points talk about individual funds which you cannot find on government wide statement. He said he would have to go to the balance sheet in a different section. Problem is Community Services and fund balance when speaking of

statement of net position - this is a mix that nobody would know what you are talking about. Director of Finance Navazio referenced the MD&A, page 1, as it summarizes the entire document on one page. The financial highlights are a roll up as is net position of the entire entity to show fiscal position; the second bullet show changes in net position; there is a bullet point on the General Fund; a bullet point on Community/Beach Funds; and a bullet point on Debt. It's a summary of the financial position in 5 bullet points. Audit Committee At-Large Member Dobler asked why the utility fund was not a financial highlight? Director of Finance Navazio said it's in the second bullet in government activities and business activities. Audit Committee At-Large Member Dobler said its style and you have to get a better style. He said business type activities is utilities. Director of Finance Navazio said he is happy to take comments and happy how the MD&A is laid out. Trustee Schmitz asked if District's Community Services special revenue fund also includes capital projects? It appears we are rolling all of it up in the revenue fund when a lot of it is capital fund. Director of Finance Navazio clarified the bullet point on the MD&A. He said it attempts to describe narrative government fund balance sheet of final CAFR as June 30, 2020, total fund balance. He said yes, it reflects all of the revenues collected – facility fee, charges for service was booked as revenue and transferred to capital. There are no assets in liability in capital and debt funds. For this year, we changed that with Board action to transfer portion of fund balance in Community Service special revenue to capital and debt. We moved it in this fiscal year. He said he can bring that report and the Board action of when that happened. Director of Finance Navazio said we did two other things – adopted current year budget and put revenues where they belong. We amended last year budget June 30 at 11 p.m. to transfer expenditures budget and actuals. He said we didn't change the revenues; they still came into special revenue. This reflects what was done.

### **Basic Financial Statement**

Audit Committee At-Large Member Dobler so about violations in GASB and GAAP. They need to go through it clearly and the auditor may rethink their opinion. He referenced agenda packet page 443 - Statement of Activity. He asked what burden will have to come from general revenue? General revenues can be used for anything in the District and the facility fee is under general revenue. He then read from the Moss Adams report. He said he went back to GASB and could see what they tripped on. He said in government reporting tax payers, you can consider it being general revenue. He said but payment of recreation and beach fee are not taxes, they are fees. That sections would not apply. We need to get this changed. It impacts

the statement of activity and general revenue. This is a serious mistake. Audit Committee At-Large Member Aaron said we need to state why we don't recommend CAFR to the Board. He said he hopes we are capturing these remarks. He asked how does it play into this year compared to next year? If we highlight mistakes, we need to give suggestions or solutions for now or next year. Audit Committee At-Large Member Dobler said we are fiduciary; we can't let it go. Director of Finance Navazio said historically, since we went to special revenue accounting, we reported facility fees in the general revenue column. We are comfortable with charges for services, those are revenues that are collected by venues by users for use and programs of activities. You may have noticed this change, if paying facility fee and assessed on property tax bill, that is distinguished from charges for services. They are property owners. He said the change he made for readers of the financial statement is the facility fees is in general revenue since they are assessed by property ownership in District regardless if they use the facilities - it's not a charge for service. Ms. Williamson said she agreed they aren't taxpayers and that this is reasonable and appropriate. Moss Adams gave recommendation. Audit Committee At-Large Member Dobler said it's for beaches and community services and it could never be used for general. Trustee Schmitz said one thing identified, when we recognized and determined that we were able to have this special revenue fund, is that it doesn't meet substantial portion. The community service capital fund has significant dollars in it. She asked what rule did you use to say that fund isn't a major fund in financials? Ms. Williamson noted the capital project fund is a major fund and its listed in government fund balance. Moss Adams didn't feel the District met financial qualifications for special revenue. Ms. Williamson said we concur with management. She said the facility fee is assessed at a rate. That meets the qualification to be committed revenue source for those funds. She said Moss Adams feel portions of the facility fee for capital and debt service shouldn't be in that fund. If you took them out, it wouldn't meet the substantial funds. It's more of an internal designation. We looked at the Board resolution to establish special revenue. Facility fee is reported in special revenue fund. 20% is a guide according to Moss Adams. It's a guide not a rule and we feel it's appropriate. Trustee Schmitz said in order for the situation where it wouldn't meet criteria and not combined and transferred out, we would have to draft a resolution to identify the fund to transfer out and therefore there wouldn't be enough to be in the special revenue fund. Director of Finance Navazio said Moss Adams said if the funds that are restricted for Community Services and Beach don't meet the threshold, then it doesn't meet special revenue. Resolution 1839 established special revenue funds and capital, debt, the user fees, standby

charges, and charges for service. Moss Adams said for it to be fine in special revenue funds going forward, the Board should clarify the charges for services should only be used for Community Services. There is no Board policy that restricts how they are collected and transfer to capital and debt. This goes away when we go to enterprise funds. That is now how the funds are set up. They are restricted. Audit Committee At-Large Member Dobler said special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed for specific purposes other than debt services or capital. You could never put special revenue funds when you have intended and passed that the facility fee would be split up in 3 components. Each component – operation, capital, and debt service has to go into specific fund. By picking up an entire amount of facility fee of special revenue fund is violation of GASB. If you pick up capital revenue sources and put into special revenue fund, then you assume the revenue exceeds the threshold and you didn't get over 11%, you have to report it in general revenue. Ms. Williamson spoke about capital and debt service designations and facility fees. Director of Finance Navazio noted charges of services are restricted via Resolution 1838. That is why we get in the facility fee threshold. He said that's why we would ask the Board to restrict fees collected from Community Services and for beach. In response to Audit Committee At-Large Member Tulloch's inquiry about special revenue fund restricted to each venue, Director of Finance Navazio said according to Resolution 1838, charges for services collected for community services venues can only support community services. If the Board wanted to make charges, it would be to use them at beach and charges used at community services. Director of Finance Navazio said if we restricted it to the specific venue, we wouldn't transfer Ski revenue to any other venue.

### **Notes Section**

Audit Committee At-Large Member Dobler said we don't have a policy for anything for punch card utilization. He said he disagrees with the statement about facility fees on agenda packet page 463. He referenced Interfund account and transfers. Audit Committee At-Large Member Dobler referenced agenda packet page 476, note 18, and said in regard to punch cards, we don't have transfers going to special revenue to community services beach fund. You are showing us all the charges for services in two funds – community services and beach fund. Punch cards paid \$250,288 to community services and beach paid \$734,680, but we all know punch cards were already paid for when we paid the Recreation Fee. When we use the punch card, the District collects nothing. That's where the contra revenue item comes into play. We paid \$250,288. so we have to offset that as punch

card utilized. Why would you offset that \$730? In reverse, \$483,000, why offset that with \$103,000? He asked where did you get the rest of your money? You got it from the community services fund. You cannot offset more. Director of Finance Navazio said we spent 2 workshops with the Board on punch card account and utilization to explain how they are accounted for. This represents last fiscal year's account under punch cards. We hope to do away with that going forward and that you are right there was no revenue generated when it is utilized at a venue. He said 85% of the Recreation Fee last year was revenue to community services and 25% revenue to beaches. Contra revenue is in aggregate of users at venues – we show 85% as credit to community service and 15% in beach. In an inelegant way, we are doing adjustments in revenue charges in revenue paid for Recreation Fees at community and beaches and balancing it out. Everyone agrees it is messy. Moss Adams agreed this needs to go away but doesn't see any violations. Audit Committee At-Large Member Dobler said he never said it was illegal transfer but a transfer was made. He asked where did you get the money? You got it from a transfer. You have to put it on the transfers because that is what the law requires. You took it out of community revenues. Director of Finance Navazio said we took revenues out of one fund and put it in revenues in another fund. Audit Committee At-Large Member Dobler said he is more concerned you have a transfer and it needs to be reported. Ms. Williamson said it's allocated and consistent with how the facility fee is charged and now transferred because of how it's set up. Director of Finance Navazio referenced note 8, transfer from funds. He said contra revenues are transfers from one revenue to another. It's not a true transfer. Audit Committee At-Large Member Dobler said it's recorded as a revenue therefore it's a cash transfer. Director of Finance Navazio said it's the accounts it is hitting that determines the transfer. Audit Committee At-Large Member Aaron asked what we want out of this conversation? Audit Committee At-Large Member Dobler has made good point and rehashed it. He said even if you are an expert, it might be hard to understand. It's confusing for sure. We will change it moving forward. He asked what do we want to conclude from this conversation? He asked are we going to agree to fix it in a future year? Audit Committee At-Large Member Dobler referenced the Commitments section on agenda packet page 477 – the District has committed to contracts. These are contracts that haven't been completed. He referenced one contract in Utilities for construction by KG Walters. He asked why you wouldn't put it on there? If there is contract that are outstanding, it needs to be committed. Director of Finance Navazio said he will look at that. Director of Finance Navazio said we looked at outstanding contracts as of June 30. The project that it relates is for

Wastewater Reclamation Facility (WWRF) aeration project. Audit Committee At-Large Member Dobler asked what you are saying is that if you are committing money, you are reducing the net position, but you don't reduce net position. All you are doing is putting an asset out of cash and putting it in an asset. Director of Finance Navazio said because of encumbrances, it doesn't show up on financial statements, this informs the reader that portion we plan to use in unrestricted net position for utility and committed fund balance for revenue. Audit Committee At-Large Member Dobler said net position remains the same. You don't reduce anything. Director of Finance Navazio said you would be reducing unrestricted net position. Director of Finance Navazio shared a PowerPoint of Next Steps of items that need to be addressed. He said he will share the PowerPoint.

### **Supplemental Information Section**

Audit Committee At-Large Member Tulloch said he was glad to see capitalization and that he is concerned that it's going to go to the Board without consideration of what was discussed here. Director of Finance Navazio said he is recommending this committee consider accepting what we have done with financial statements, conducted independent audit with findings, and there is a lot of work to do. He said he wants to get started. He said he doesn't know the value of going back and changing the financial statements. The committee is charged with review and oversight of audit. He said he is comfortable publishing the audit and filing with State and getting to work. In response to Audit Committee At-Large Member Tulloch's request, Audit Committee Chairman Dent read sections of Policy 15.0 regarding review formal reports and letter. Audit Committee At-Large Member Aaron referenced Section 2.5. and said he wanted to make sure what we are checking off what we need to follow-up on with the identified corrections. He said the policy doesn't identify the extent of the follow-up action. Audit Committee Chairman Dent said there are different interpretations. He said he is concerned with the audit report including statement of activities, major funds, and interfund transfers. He asked the committee do we recommend they approve the CAFR or recommend we need to develop a letter to send to the Board before we can move forward? He asked what does this committee want to do? Trustee Schmitz said in regard to the KG Walters contract, Director of Finance Navazio needs to look into that as that was an action item. Trustee Schmitz said Ms. Williamson is here and she answered many questions whether or not you agree, she is the auditor signing this document. She asked if this could move forward if there is a change with the KG Walters contract? She asked if Director of Finance Navazio or District General Manager Winquest are

## Minutes

Audit Committee Meeting of January 27, 2021

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willing and able to make a change in the transmittal letter to inform our citizens in order to be transparent? Audit Committee Chairman Dent asked Ms. Williamson about missing the \$1.5 million dollars in KG Walter Contract. Ms. Williamson said she can't speak to it. She recommended Director of Finance Navazio to look at it. Director of Finance Navazio stated it may have been an oversight, and if there is an omission there, that is at a level worth holding up the CAFR. He said he appreciates the comment in regard to the transmittal letter to highlight findings, but that should be presented in the report to the Board. He said he isn't aware of a single audit with findings in a transmittal letter. It's just how the audit process works. He said he has never seen a reference to the auditor's findings in the transmittal letter but rather in the report to the Board and highlighted at tomorrow night's meeting. Ms. Williamson said she agreed. Audit Committee At-Large Member Dobler said we hired Moss Adams to review 4 points and expanded scope to highlight 4-5 more points. We agreed whatever Moss Adams said, we would agree. He said \$3.7 million of capital assets need to be written off now. He said he understands Ms. Williamson has an opinion but disagrees and cannot support. He said he will not support the CAFR due to major errors. He said Moss Adams agrees with us. Our auditor and Director of Finance has decided to disagree with Moss Adams. Audit Committee Chairman Dent said Audit Committee At-Large Member Dobler will write up a report of why he won't support the CAFR. Trustee Schmitz said Moss Adams produced their 24 points; they agreed with Ms. Newman and Audit Committee At-Large Member Dobler. The majority were clarifications and should be addressed in future CAFRs. We learned a lot which stemmed from Mr. Dobler and Ms. Newman's letters. In our future CAFRs, we will work with the external auditor and identify corrections to get rid of the contention. She said there was valid information, but in the end, most of these were recommendations that can be address in future CAFRs. Audit Committee At-Large Member Dobler said Moss Adams said the 2019 CAFR needs to be addressed in the future which is now. Audit Committee At-Large Member Aaron said we could either accept it and state our suggestions and concerns or we could flat out disagree with CAFR. He said if we consider a flat-out denial, how much time would take to make these changes and what work is involved? He asked what the risks are of not submitting this on time? Director of Finance Navazio said the extension would be through this month and that you could either ignore NRS or get an extension from the Department of Taxation. He said it's a significant amount of work. He said he doesn't know what it means since Eide Bailly has already published their findings. At the Board's direction, we would be asking them to do subsequent audit work. He said 4-6 weeks is an estimate, but that doesn't

include capitalization issues. Audit Committee At-Large Member Aaron said it's important that we identified these areas and Eide Bailly have reported material weaknesses. We can work with management to move forward to make these changes. Audit Committee At-Large Member Tulloch said there is a quandary with this. Everyone provided an independent view with expertise. We have had independent advice, but don't seem to be abiding by policy and procedures. He said there are huge issues with things that need to be capitalized when its expensed. It's hard to sign off on this CAFR. He said \$3.1 million needs to identified and we need to do that now. It would be hypocritical with the knowledge that we have. Audit Committee Chairman Dent said Audit Committee At-Large Member Dobler already said he will contribute to the annual committee report. He said he wants a consensus about the committee report and recommendation to the Board. Audit Committee At-Large Member Dobler said he is a fiduciary that needs to be responsible to the citizens and he asked how anybody can agree with the auditor and Director of Finance Navazio's statements of net position? He said he is not going to support the opinion. The resolution was to agree with Moss Adams and Staff and auditor don't agree. He said he has evidence from a reputable CPA firm. Trustee Schmitz said she wants things to be right and that she is looking at 25 points. She said it is important to do things right, but during the presentation, she said she heard reasonable responses from Ms. Williamson to Moss Adams' points. She said there is a lot we want to fix and change and do different going forward. She said she is struggling with how much do we do now or later. She asked would a month give us time to get through the list? She said it's difficult since we are discussing this the night before the Board meeting. Audit Committee Chairman Dent agreed that the timing wasn't great and that there were many variables. Audit Committee At-Large Member Dobler asked what would happen if we need to make adjustments? Ms. Williamson said we would need to see evidence to justify making an adjustment is appropriate. We performed testing, we aren't just taking what management is telling us. We have an opinion issued. There would have to be evidence, re-opinion and republished. Ms. Williamson said we would have to go through the whole process and update statements, opinion and subsequent event. She said you have to capitalize assets and report it and we feel they are appropriate. Audit Committee At-Large Member Tulloch asked for the section in GAAP where you have to capitalize these for taxation but not for reporting. He said he's not aware of GAAP requirement as capital. Ms. Williamson said government accounting standards would. Audit Committee Chairman Dent asked for recommendation from the Audit Committee. District General Manager Winquest said it's been great discussion and he shared his concerns. We

heard from Ms. Williamson. We said we can file an extension, but unlikely to receive one. But if we can get an extension, we can spend the next 6 weeks to work on this, but what if nothing changes and we file the same CAFR. He said the Accounting Staff has worked tirelessly for months on this. We have learned from the Moss Adams report. Staff supports the Moss Adam report. We agree to move on from this point on. We have made progress from 2018 to 2019 CAFR. If Staff has to spend 4-6 weeks during our budget process, it will cripple progress. He said much of this is a philosophical discussion. Audit Committee Chairman Dent reiterated the options of recommendations by the committee. He recommends we receive the CAFR as delivered and put our concerns in a report to comply with Board policy. Audit Committee At-Large Member Aaron agreed and added the idea of receiving the CAFR is neutral. He said we are saying we received and here are our observations and provide suggestions of improvements going forward. He said we keep going back to capitalization of \$3 million should be expensed - do we feel this has material impact? Director of Finance Navazio said if you support the idea that the Audit Committee should produce a report and identify areas that we agree need work going forward, he said he isn't sure it requires an extension. Audit Committee At-Large Member Tulloch said it's not just a material issue as he believes what is happening is incorrect. It wouldn't qualify under capital. It needs to be resolved. He said none of these concerns are new. We should express our concerns. Audit Committee At-Large Member Dobler said Ms. Williamson has issued her opinion and that's her opinion. There is a recent case with the Dillon's Rule where our attorney says it doesn't matter if it's written, it's implied. He said disagrees with that. We have a remedy by going to the District court. Many opinions are issued and a few years later the company goes bankrupt. He said he hitched his horse and has been waiting five years to get the outside opinion. He said he has read the reports by Moss Adams. He said he stays within the four corners of the document. We have an obligation to accept the CAFR. We can't give a report tomorrow. He said he doesn't agree with the opinion. You have that right. He said they are going to spin it tomorrow anyhow. He said he believes in what Moss Adams said. All of our issues had to do with 2019 and we were supposed to fix them in 2020 and we have not. We cannot do a report in a day. He said he can't participate in the rest of the agenda. We should remove the rest of the agenda. Eide Bailly has a right to their opinion. Trustee Schmitz said she doesn't feel we can have Eide Bailly go back because it sounds like they would be starting over and that's time and cost. She said what about a compromise and that is ask for an extension for the purpose of the Audit Committee putting together a comprehensive letter to use going forward?

The extension would allow us to produce a letter to outline concerns and not for the CAFR to be reproduced. Audit Committee At-Large Member Tulloch said he can support that. He said ask for extension and put together a report of our concerns. Audit Committee Chairman Dent said we fully recognized we violated Board Policy. We are asking for another extension due to timing of everything. Audit Committee Chairman Dent asked if we could have a draft letter by February 10? He asked for two members of the audit committee to draft the report? Audit Committee At-Large Member Aaron said Audit Committee At-Large Members Dobler and Tulloch can write it, and Audit Committee At-Large Member Aaron and Trustee Schmitz could take the second round. Director of Finance Navazio said he agreed and supports the Audit Committee preparing and presenting to the Board based on the committee's charge. He said an extension is based on if the State would actually grant the extension. He reminded everyone in 13 hours, we will hear about transition by the Nevada Department of Taxation. The mere need and thought of extension for the Audit Committee to complete report may complicate the Department of Taxation granting the changes in budgeting. Audit Committee Chairman Dent asked what the consequences are? Trustee Schmitz said it's up to the Board to ask for extension. Any decision by the Board won't be made until tomorrow evening. Director of Finance Navazio said he is protecting the District's interest and he would suggest that this committee can produce a report with concerns with CAFR without filing an extension. Audit Committee At-Large Member Dobler said it's common, if you aren't ready to issue it, don't issue it. He said he doesn't appreciate the soft threat. Director of Finance Navazio said if we need more time to finish the audit, the State granted it one time. They know audit has been issued as it's on the Board agenda for tomorrow. He said he likes the idea of filing late. Trustee Schmitz said we understand the first extension was needed in order for the auditor to complete their work, but we need to do our work. Audit Committee Chairman Dent said it's hard to believe the Department of Taxation won't grant an extension because we want to follow our own policies. We can talk about it at the Board meeting and that he will provide a verbal update. Audit Committee At-Large Member Aaron said it was brought to our attention at last meeting on page 15 of CAFR, the word District is misspelled.

Audit Committee Chairman Dent postponed the following remaining items to the Audit Committee's next meeting or one in the future:

**D.1. Whistleblower Procedure for Financial Matters (Requesting Staff Member: District General Counsel Josh Nelson)**

**D.2. Staff update on Internal Controls (Requesting Staff Member: Director of Finance Paul Navazio)**

**D.3. Staff update on Chart of Accounts (Requesting Staff Member: Director of Finance Paul Navazio)**

**E. PUBLIC COMMENTS\***

Linda Newman said this was an excellent meeting. She said she has a number of comments. In my view it is critically important to get this CAFR right and not way wait to address violations of general accepted accounting principles and best practices in the future. There are a number of errors in the audited and unaudited section that should be corrected as well as management representation letter. Many incorrect statements have been pointed out this evening. You also have no impediment to correct the unaudited sections. Audit committee policies have been violated by management. Management has chosen to circumvent their responsibility to comply with policy 15.1 and are trying to force you to default on your compliance. The audit committee and the board should not be forced to accept an inadequate and incorrect 2020 CAFR. An extension is required for more than the audit committee report. With the auditor citation of material weaknesses in internal controls and capitalization and Moss Adams two independent reports, the value of delay in fulfilling your responsibility to take all appropriate corrective actions now so that all users of our financial statements have more complete and accurate information on the district's operations and financial condition. As fiduciaries as you are reporting the government's use of our public money. We deserve factual accountability and financial transparency with 2020 CAFR fails both. Thank you.

Frank Wright said this is not a one-year ordeal, it's every year ordeal. The Audit Committee reviewed this and board and Eide Bailey rubber stamped it. The financials are screwed up. There are excuses, and it doesn't cut it. You have to follow state laws and general account standards. Don't try to put it down the committee's throat to meet the deadlines. Why can we do it right with the letter of the law. Some things that need review. This has 24 points that need reviewed. The excuses got to go away. They need to be report fairly for the people of this community. Some of the most qualified people are on this committee. Let's have this done before the midnight hour. He said he condemns the financial team. Thank you for work.

Aaron Katz said this was an interesting meeting. He said he has the answer for Frank of why we have problems. It goes back to our standard problem, our staff. Let's call spade, a spade. Why do we have problems with the CAFR? Because staff tried to create misleading financial reporting that our rec facilities are operating in positive cash flow basis when they never have. He asked why did we transfer to a special revenue accounting. Same reason – to make it look like the facilities are operating at a profit, but they are not. He said he has sympathy for Director of Finance Navazio. He should have known what he was getting himself into. He said he is not willing to give him a break now. The CAFR needs to be fixed. He said staff can't do it because they have to deal with the budget. He said he has the answer. Outsource. He asked if we can we outsource to get someone else to prepare our CAFR? Someone who is professional? He said there is another thing that Director of Finance Navazio said, because Resolution 1838 and the fact we have transferred to special revenue accounting, you cannot use funds assigned to Community Services fund for purposes other than our recreational facilities. He said he recently uncovered that 80% of auditing costs have been assigned to beach, utilities, and community services which have zero to do with our recreational facilities or our utilities. There are probably thousands of dollars of illegitimate expense that have been improperly assigned to these funds. Why? Because the rec fee and beach fee is where the money comes. And we want to keep money available in the general fund for what? Personnel costs. Clean up this CAFR.

Audit Committee Chairman Dent announced the next meeting is February 10, 2021 at 4:30 p.m.

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

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Misty A. Moga  
Acting 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.