

## MEMORANDUM

**TO:** Audit Committee

**THROUGH:** Matthew Dent  
Audit Committee Chairman

**FROM:** Paul Navazio  
Director of Finance

**SUBJECT:** District's FY2019/2020 Independent Financial Audit: Verbal update by the Director of Finance Paul Navazio on the District's 2019/2020 Independent Financial Audit being conducted by Eide Bailly

### **STRATEGIC**

**PLAN REFERENCE(S):** Long Range Principles #2

**DATE:** September 23, 2020

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### **I. RECOMMENDATION**

That the Audit Committee receive a verbal status update regarding the District's Independent External Audit for the fiscal year ending June 30, 2020.

### **II. BACKGROUND**

The District's Independent External Auditor, Eide Bailly is currently conducting its audit of the District's financial activities for the fiscal year ending June 30, 2020. This agenda item has been prepared to provide the Audit Committee with a status report on audit activities and timeline for presentation of audit reports to the Audit Committee and Board of Trustees.

Eide Bailly commenced this year's audit work in early June with the execution of the Engagement Letter for the FY2019/20 Audit. The attached outline provides a summary of the field work, testing and review of related internal controls currently under review by the Eide Bailly audit team. Included are selected areas currently under review related to the outstanding questions related to the District's prior fiscal year financial statements (for the year ended June 30, 2019).

Additional updates related to audit activities and draft audit reports are expected to be presented for review by the Audit Committee in late October or early November.

### **III. STRATEGIC PLAN REFERENCE(S)**

Long Range Principle #2

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

### **Summary of Audit Activities through 9/30/20**

*(Due to COVID-19 Pandemic ALL Audit Activities are being performed remotely)*

#### Audit Kick-off

#### Physical Inventory Counts

- Golf Merchandise
- Fuel Supplies

#### Field Testing (Review of Sample Transactions)

- Revenue Collection
  - Tax Settlement Payments (Washoe County)
  - Facility Fees
  - Charges for Service
  - Utility Billings
  - Lease Revenues
  - Deferred Revenue / Pre-paid Accounts
  - Intergovernmental Revenues
  - Internal Service Fund Charge-back
- Point of Sale System(s) Testing
  - Vermont System (Golf Operations, Special Events)
  - RTP System (Ski Passes and (selected) Recreation Sales)
  - Beach Revenues / visits
- Payroll sample testing
- Accrued Personnel Costs
- Accounts Payable
- Capitalization and Fixed Assets
- Treasury Activities
  - Cash and Cash Equivalents
  - Bank account reconciliation(s)
  - Market-value of investment portfolio
  - Allocation of investment earnings

#### General Ledger and Financial Statements

- General Ledger Trial Balances (provided 9/3/20)
- Preliminary Draft Basic Financial Statements (9/9/20)
- Audit Adjustments (General Ledger entries AFTER Trial Balances)
  - Tax Settlement Payment #13
  - Vermont Credit Balances
  - Beach Deferred Revenues
  - Gift Card Liability Accounts
  - Investment (Year-end Interest Reconciliation and Mark-to-Market)
  - Expense Adjustment - Capital Work in Process

### Open Issues / Under Review

- *ALL Fieldwork / Sample Testing topics still under review – may result in additional sample testing, and/or documentation*
- *Other topics currently under review:*
  - *Capitalization of fixed assets*
  - *Capital Work In Process*
  - *Gift Cards – Deferred Revenues*
  - *Ski – Restricted Ticket Promo*
  - *Golf Passes*
  - *Assignment / Reservation of Fund Balances*
  - *Budget Amendment (6/30/20) – Resolution 1838*

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### Timeline for Completion of Independent Audit

- Field Testing / Sample Transactions ..... Ongoing
- Completion of Field Testing..... Est. September 30, 2020
- Draft to Auditor
  - Financial Statements / Notes ..... Early/Mid October
  - Statistical Information ..... Early/Mid October
  - Draft Transmittal Letter / MD&A..... Early November
- Draft CAFR/Final Audit Report ..... Mid November
  - Review with Audit Committee
- Final CAFR Issued ..... *\*No Later Than*  
November 30, 2020
- Final CAFR/Audit Report to Board of Trustees\* ..... *No later than*  
December 2020
- Filing of CAFR/Audit Report to State of Nevada\* ..... By December 31, 2020

*\* Denotes dates established by NRS 354.624(6)*