

MINUTES

AUDIT COMMITTEE MEETING OF JANUARY 20, 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 20, 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 firstly, we must change the name of the Audit Committee to the "Toxic Audit Committee" (TAC). Trustee Wong, who has been a Trustee for 6 years and apparently possesses a CPA certificate, with the help of Charley Miller & Indra, has exposed the nefarious & devious ways of at least 3 members of the Audit Committee – Matthew, Sara & Cliff, and I suspect Derrek and Ray are also guilty too, just because they are associated with the Audit Committee! When 3 out of 5 members have created a toxic environment so bad that every IVGID employee wants to leave, then we must call "a spade a spade"! So, my new mantra is "It's TAC's fault!", and that will replace my former one of "It's Cliff's fault!" Whatever you have been doing as a Committee, please, please, please continue to do it! Because if our Resident Incompetent CPA Trustee does not like it, it must be good stuff. Transparency in numbers really upsets folks that like to work in the shadows. Great job TAC!!! On a not more serious note, but a reasonable note, this CAFR presented by Staff is "NOT Ready for Prime Time". I have already sent these questions/comments to our esteemed Finance Director Navazio, and knowing Paul's reluctance to move forward expeditiously, I suspect these questions will be answered a few years after I expire, but here they are:

It's been 6 1/2 months since the FY ended; why is this CAFR not "Ready for Prime Time"?

Why is the auditor's report pending?

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The discussion of PY Adjustments ends at the bottom of page 3 in mid-sentence....where's the rest of it?

It had been discussed that the CAFR would be clearly separated into audited & unaudited areas. But this CAFR looks to be the same format as the PY.

Page 11 - It needs to be updated, it's a little bit silly to show an org chart that is already out-of-date, and misspells the name of a seated Trustee.

Page 12 - Has the Government Finance Officers Association received any information from Cliff/Linda and associated information from Moss Adams as to their review of the 2019 CAFR? To put this "Certificate of Achievement for Excellence in Financial Reporting" in the CAFR is a bit much.

Page 20 - The word "District" is misspelled in the first line.

What's the deadline to submit this CAFR? I think you might need an extension. Clearly, IVGID Staff, with the support of our wonderful "Teflon" GM, submits something to the AC that is not ready for prime time, but Staff assumes the AC, and then the BOT, will be forced to accept it because of the time limits. My recommendation is that the Audit Committee should flatly reject this totally incomplete CAFR, and force IVGID Staff to produce something of value. Thank you.

Linda Newman said the CAFR presented for your review is an insulting representation of the General Manager and the Director of Finance's contempt for this Committee and our citizens. It was apparently thrown together without a reasonable review for grammatical and typographical errors –let alone any one checking the accuracy of narrative statements, basic and supplemental financials and notes. To call this "unprofessional" would be kind. So let's call it what it is -A Mess resulting from the Board hiring an inexperienced General Manager, the General Manager hiring a Director of Finance without a CPA designation and their commitment to keeping our Board and our community in the dark on the District's actual financial condition in an attempt to conceal the inefficient management of our General Fund, Utilities, Community Services and Beach activities. That is your starting point to discuss in two hours what requires several days of clarification and corrections –and you will do so without the submittal of Eide Bailly's missing opinions and recommendations. And, without knowledge of Management's Representations to the auditor as required under their contract. It is my hope that you will start the discussion with requesting the stated "framework of internal controls established for completeness and reliability of information contained in the report." To date, NO WRITTEN and OPERATIVE INTERNAL CONTROLS have been provided to this Committee. In light of Moss Adams validation of the District's lack of internal controls in their scathing recent report citing 11 medium to high risks for fraud in the District's contract management after reviewing about five contracts --what extra measures have been taken by our independent auditor to

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determine compliance with contract administration and controls? What additional measures will you as our Audit Committee need to take to determine the validity of the financial information provided for our Auditor's review? And, what necessary steps will you recommend to address the Moss Adams report recommendations on four contested key accounting practices in the 2016 to 2019 CAFRs that must be addressed in the 2020 CAFR? There are also more than 19 other contentious issues that remain unexamined in the 2019 CAFR. Will you choose to leave those behind and leave them unresolved in the 2020 CAFR? Unfortunately, what you have in front of you does not meet the lowest standards for financial transparency. All users of our Financial Statements, whether it is the State, County, the Board, our citizens and our creditors will be deprived of accurate and complete financial information. You need additional time to get this CAFR right. Please request an additional extension beyond the January 31st deadline for submission to the State.

Alexandra Profant said on December 17, 2020 she submitted, to this committee, to Chairman Dent and the IVGID Audit Committee, a packet that had several pages in it. The first page was the Midkiff and Associates bill that makes reference to the IVGID Board meeting wherein Gary Midkiff, a Nevada licensed engineer, spoke to the Board of Trustees regarding water and sewer charges relative to property that IVGID provides water and sewer to. The other part of the packet had the candidacy biography statements signed by Gerry Eick, former CFO of IVGID. This packet also contained a page which had a letter to IPM. Ms. Profant said she was calling to verify that you received this packet and she is also calling, on behalf and to state for the record, that she does not and will not pursue her grievances in any civil court venue where interminable litigation will prolong and prevent remedies appropriate to all of us affected by crimes committed against our beloved IVGID properties and therefore cause crimes against the revenue of the state, county, and IVGID but rather she would request, of this committee, you, Matt Dent and Sara Schmitz, who are also on the Board of Trustees to add a motion to act on her request to file criminal charges against persons either named or suspect including perhaps that she alleges the former CFO of IVGID which is noted in the biography statement with any all federal, local and state enforcement agencies to initiate a formal investigation to prosecute any and all crimes committed by past IVGID personnel named in the pages included or others. Please consider doing this based on the evidence before you. Thank you.

Margaret Martini said she appreciates and commends every one serving on this Committee. She recognizes that the tasks ahead of you are daunting. Over the past decade, this District has not had an operative Audit Committee and a Board majority that has exercised oversight of the District's financial accounting and reporting or the performance of Senior Management. The fallout is apparent in the

sloppy, incomplete and inaccurate CAFR you are requested to review. Like our GM and Director of Finance, she is not an accountant - but unlike them, she reveres the recommendations in the two independent Moss Adams reports and respect the advice of Mr. Dobler, Mr. Tulloch and Mr. Aaron to improve our District's accounting and reporting practices. She does not see much improvement in the 2020 CAFR over the 2019 CAFR. Beginning with the lack of internal controls along with the other concerns raised by Trustees Callicrate, Dent and Schmitz – she does not see a resolution to those concerns in this CAFR. What she does see is the continued misrepresentation of the Rec and Beach Fees. These are repeatedly referenced as one Recreation Fee, Availability of Use and Standby Service Charge -when we all know that there are two separate Fees for two separate funds with separate activities. Without written internal controls, validated compliance with State Law or for that matter Board Resolutions, Ordinances, Policies and Practices and with the absence of any licensed CPAs on Staff and NO Board oversight, she has no confidence in the accuracy of the Financial Statements, Supplemental Info and Footnotes in the 2020 CAFR. She wonders how Eide Bailly could perform a viable audit when management's representations have so little substance. I wonder too how you will be able to rely upon the veracity of the information in the packet and how and when you will be able to take corrective actions.

C. APPROVAL OF AGENDA (for possible action)

Audit Committee Chairman Dent asked for any changes to the agenda; Trustee Schmitz asked that D.2. be moved before D.1. and that our standing agenda is to include correspondence and is she to assume because it is not listed here, that nothing has been received to the Audit Committee since the last time that correspondence was included? Audit Committee Chairman Dent said that is correct and that he will confirm, via e-mail, that there isn't something that he has missed as sometimes e-mail does go to spam so if there was something that was missed, we will get it on the next agenda; there is no correspondence on this agenda. Audit Committee Chairman Dent said the requested switch was fine. Audit Committee At-Large Member Tulloch said he supports Trustee Schmitz' request as he was going to make the same request and we are reviewing the CAFR and we haven't yet seen Moss Adams final report which has major impacts on the CAFR thus he is wondering why we are reviewing it with so many outstanding items particularly on the capitalization side. District General Counsel Nelson said he would recommend taking Audit Committee At-Large Member Tulloch's comment regarding the CAFR during that item and it seems to be the consensus of the committee to do the switching of the two items.

D. GENERAL BUSINESS ITEMS (for possible action)

D.1. Acknowledge receipt of correspondence received: Letter from the Department of Taxation regarding Notice to Appear at the hearing on January 28, 2021; Subject of the hearing is the transition to Enterprise fund accounting (*was General Business Item D.2.*)

Director of Finance Navazio gave an overview of the submitted materials. Audit Committee At-Large Member Tulloch said, regarding item 3, from current auditor and a part of the advanced materials being submitted – have we seen a copy of what they are providing as he wants to make sure there are no surprises from independent auditor at the meeting and that he would like Audit Chairman Dent to listen in to this meeting. District General Manager Winquest said Audit Committee Chairman Dent has a conflict at this date and recommended that Trustee Schmitz represent the Audit Committee at this meeting. Director of Finance Navazio said we have been discussing this with Eide Bailly, in a conversation with State staff, and that this is a meeting for us to understand what they are needing/requesting and have discussed the need for current and future auditors to provide the support to this effort as this is a routine item. This is not the hearing where we get a decision as they just want us to make our case. Audit Committee At-Large Member Tulloch asked if we have gotten our written transcript from Eide Bailly? Director of Finance Navazio said no, we do not yet have that correspondence from Eide Bailly and they are questioning whether it should be them that renders this because they won't be the auditor when we contemplate making the change. He does think they plan on being on the hearing and are working with them. Audit Committee At-Large Member Tulloch said he is confused, hired the independent auditor, and they should be supporting it. Director of Finance Navazio said he would concur. Audit Committee At-Large Member Dobler said he has to concur with Audit Committee At-Large Member Tulloch. The letter is dated December 23 so 27 days has passed. Look at #2, valuation of the assets, don't know what valuation means, he doesn't think you can ever value of an asset of a government. We don't have it but tomorrow it is being sent; he finds that so odd and why bring this letter to us and not show us what you intend to show the Department of Taxation? Nowhere does it say anything is required by statute; there is a statute that says exactly what you have to do, which you did in 2015, so that should be done and submitted. He is very concerned that we can't get the position or the valuation of capital assets, but by coincidence it is going to happen tomorrow. Trustee Schmitz said is this

particular effort over and above what we have contracted to do? Have we created a statement of work and does it identify we want something in writing so we can understand what the position of Eide Bailly is on this subject? Director of Finance Navazio said it is a good question and that he does not believe this would be outside of the scope of work or support from the independent auditor. He can say, with partial knowledge, that the auditor provided correspondence five years ago on the transition and that he doesn't think it would require a change of scope or be outside of the scope and that the conversation has more to do with timing. Trustee Schmitz said what about having it writing? Can that be shared with the committee regarding the current stance of the auditor? Director of Finance Navazio said that was a reasonable request, he talked to the State this morning and any material you want to present in advance, you may, not an action rather just an opportunity to discuss these items and clarify anything they might need in writing. He doesn't expect the state to tell us whether we should transition but rather tell us the boxes we need to check and anticipate getting that clarification from the committee at the hearing. Trustee Schmitz said sorry if question wasn't clear – is the auditor from Eide Bailly intending to put anything in writing that we would have the opportunity to see before that meeting? Director of Finance Navazio said anything they prepare and receive, we will share with the committee, and we are still having conversations about their thoughts on that. Trustee Schmitz asked if you will be using any of the Moss Adams materials that has justification and sharing that with the Department of Taxation? Director of Finance Navazio said it is relevant and Staff is prepared to share it. We do have their final report but it hasn't been agendized and they have said it is appropriate and consistent with GAAP and GASB so it is good background information however we need to hear from our auditors. Trustee Schmitz said what have you heard and are they in support of the direction we are taking? Director of Finance Navazio said there is the question about whether transitioning is a problem and there should be no concerns with that, nothing in GAAP or GASB that prevents us from transitioning back, not sure anything from the state about their auditors as we need to make the case and want to keep the auditor away from this and keep this clean. Audit Committee At-Large Member Aaron asked what was the purpose of the meeting, who is leading it, what is being discussed, and then the content of the meeting – who requested this actual change in accounting principle, who requested the meeting, who is going to lead, who is the audience can anybody sign in on this call, and who is going to be writing the discussion as that should be shared with IVGID staff and the Audit Committee so we are aware before it is released? Also, are we going to include the Moss Adams material along with the Eide Bailly opinion? He

is just not understanding that reasoning because Eide Bailly is our standing audit firm and they should be the one that is leading the discussion and they should be involved because they know IVGID processes. If we are bringing in Moss Adams material, who would present that material to the State? Ideally it would be presented by them so they can stand behind their opinion. Director of Finance Navazio said the decision and the request to transition back to Enterprise Fund Accounting came from the District via a Board Resolution adopted on May 27, 2020 that was informed by Staff's recommendation and this was the first step in this action. The reason why we got the letter, when, and the reason for the hearing is because, in part, when this committee was apprised in late November, there was a discussion and, then in consultation in with the Audit Committee Chairman and the Board of Trustees Chairman, it was forwarded to the State on December 1 and then the State scheduled a hearing and that's the process of how we got there; timing works because of the budget. As far as the auditor is concerned, Eide Bailly isn't necessarily not recommending we transition as we are the ones that initiated it and will explain why. Moss Adams only comes into play because the Audit Committee contracted with Moss Adams to look into whether it is consistent with GAAP and GASB. He has seen the draft, Moss Adams concluded not inconsistent with GAAP and GASB and they said it would be more appropriate to be Enterprise Funds. That is just backup for our case on why we want to make the change. Auditor fits in as to whether or not they have an opinion relative to GAAP and GASB; just a part of the information. State is saying have our assets in order and auditor doesn't disagree. Audit Committee At-Large Member Aaron said that the request needs to come directly from IVGID and from whoever is our auditor. Audit Committee Chairman Dent said when we went through this five years ago, this is about going through this process. Audit Committee At-Large Member Dobler said we spent 25 or 35 minutes and got nowhere and just want the letter from Eide Bailly as it couldn't possibly be in their scope of work as their work ends with the CAFR thus it is not in their scope of work so what Director of Finance Navazio said is incorrect. Moss Adams said all of Community Services should be in the General Fund except for beaches, and to say either/or doesn't qualify. Audit Committee At-Large Member Dobler then nominated himself to be on that Zoom call as he is more qualified than anyone else on this committee. Director of Finance Navazio said, for clarification, part of the approach is that we originally drafted the letter as a request that we needed their approval and upon review of the past actions, we sent them a letter telling them we are going to switch and said we will be happy to talk them but we are not going in asking for permission. Regarding scope, it was them producing a letter not the work

about restating financial statements. Audit Committee At-Large Member Dobler said he didn't ask about restating financial statements, his was about producing the letter. Audit Committee Chairman Dent said he asked similar questions earlier today about our auditor, he understands the concerns and we will work through them.

D.2. Presentation and discussion of the June 30, 2020 Comprehensive Annual Financial Report (Presented by Director of Finance Paul Navazio) *(was General Business Item D.1.)*

Director of Finance Navazio gave an overview of the submitted materials. Audit Committee Chairman Dent asked when we can expect to have the auditors' opinion and the supporting documents included in that? Director of Finance Navazio said we should be receiving that very shortly and we are planning on providing, on January 27, a copy of the final CAFR with the audit opinion; auditors are aware and we are working towards Thursday or Friday to get packet out so hope to get it in the next day or two. Audit Committee At-Large Member Tulloch said can we expect to have the final CAFR on Friday? Director of Finance Navazio said he is hopeful that it is the final CAFR with the goal of filing within the deadline we have with the State which is the end of the month. Audit Committee At-Large Member Tulloch said the document is not ready for prime time, etc. so is it possible to file for another extension? Director of Finance Navazio said it is possible to request an additional extension however he can't tell you if it would be granted as he knows that it isn't automatic. We have received the draft of the Moss Adams report which was the reason for the first extension and we have largely made those adjustments but if the committee feels otherwise, understands that too. Audit Committee At-Large Member Dobler said so we get a draft CAFR on Friday, he spends three days going through it, here to talk about it, and now we have made a whole bunch of adjustments and now we have to get a new one out. The most amazing thing is that you had a prior period adjustment for \$500,000 and now this is saying up to \$1.2 million or \$1.3 million. He agrees with Audit Committee At-Large Member Tulloch; why are we talking about it? If the District has to expense a lot of capital, it lowers our net asset position. He thought there was about \$6 million that needed to be changed and that the majority is with effluent pipeline which will cause us to say that the Utility Fund has operated negatively for several years. Read the Moss Adams report, pages 27 and 28, where they talk about accounting guidance. They make a reference to GASB, Statement #4, which Audit Committee At-Large Member Dobler then read from that section of the report. The report says there is \$3.16 million doing exactly what it says and

that we should have been expensing. Staff has been horsing around with USACE and TTD and we haven't done anything and had to take out of IVGID's hand and give it to a firm that is going to start doing something and if we have to write off \$3.16 million and \$1 million is staff time. The last time they did the Staff presentation, they charged almost \$20,000 in Staff time to tell us about spending more money. If this is something that we need to dance around, he can't be a part of it. We have to write off this \$3.16 million and we have to see what we need to do at the golf courses. We have drastically overstated our financial positions. We will get something on Friday, we don't have the new one, and he will be patient. Audit Committee At-Large Member Aaron and he told you three or four months that we didn't like these CAFRs being redone. We have been changing it like our underwear, we don't have a baseline. Eide Bailly isn't auditing rather they are doing the accounting – he has three other items if we have time. Audit Committee At-Large Member Aaron asked about the \$1.3m in capital to expense and some additional item that would fall under that category, what is the materiality level of these additional items? We either have to let it go or address it. As to year-end adjustments, every audit has to go through that, been there, done that – how many adjustments and dollar amounts did we experience this go around and prior years? Like to look back on our history so we can put things into perspective – number and dollar amounts. Timing of approval – lots of questions, lost our Controller in November, what do you think the impact of her leaving had on this process? How did that effect on where we are on these delays? Director of Finance Navazio said he doesn't know what the District's history has been on audit adjustments but we had probably two dozen audit adjustments in the categories of cash and investments, deferred revenue, shifting of revenue and reflecting it in the capital fund (that was the largest dollar amount). He can research the history; speak to the materiality, reason for large amounts of adjustments, individually there were only a few that met the materiality threshold but the aggregate was such that we erred on the side of doing the adjustment as opposed to passing on it, as we went through the capital assets, went back and we looked at it and matched it up with Board policy and understanding with guidelines. We didn't identify \$8 million of items, some that we did identify didn't meet the materiality threshold, for him, not having the Controller, and because of the involvement of the former Director of Finance, delay was in part due to being down another accountant position, didn't have our Controller, and we looked at a number of things after the Moss Adams report so it was a combination of items. The Moss Adams work was the main reason but we would probably would have been asking for one anyway, now we have one that is consistent with the Moss Adams report and then get the

auditor opinion and then get to work on financial, accounting and internal controls, pending the report from auditor, his opinion is we should be moving on and working on these items. Audit Committee At-Large Member Aaron said going back to the adjustments made, Staff mentioned something about Board policies – what is the basis for each of these adjustments? Misinterpretation of Board policy or just errors in transacting as he would like to know more about that? Director of Finance Navazio said capitalization is a combination of items - timing of when revenues are recorded as we have a number of deferred revenues and we have our discounts that span fiscal years and we have made adjustments to record the revenues and transactions in the proper fiscal year. The accounting for our investments our Board policy said we should be doing that every month and that was an area that the former Director of Finance handled. This one had to do with things that hadn't been done since he left in March. It was another time suck as we hit every fund within the District when we made that investment adjustment. We will be able to provide all the adjustments so we won't have the same list of adjustments every year. Audit Committee At-Large Member Aaron said thanks for recognizing that and bringing it to the public's attention. Trustee Schmitz said she is remembering, from last year, that we had the deadline of the end of January and was there an extension requested last year? She was under the impression it took us longer and not like this last year. Director of Finance Navazio said yes, an extension was requested, NRS requires that the auditors present a report in December. It was presented because of issues and questions and then the Board accepted within that extension that was requested. Trustee Schmitz asked about the management representation letter – was it sent to auditor and sent to Audit Committee at the same time? Director of Finance Navazio said no, he has not but he has provided the documents in your packet – he needs to check the status of that document. Trustee Schmitz said there were a number of things that were brought forward by Moss Adams and some were incorporated and some were not. It would be helpful to know which ones were and which ones weren't and then the reasoning behind those decisions. An example would be Moss Adams recommended getting rid of contra revenue accounting and it is still in there. You had us reading policies and in Policy 2.1 it clearly states about allocation and how we communicate to the parcel owners and nothing that references the contra revenue which is in violation of Policy 2.1. She believes that Moss Adams also recommended that there is a certain level that is required to be in there and that the Community Services Fund meets that requirement so it needs to be audited. Having the Moss Adams report, it showed some significant issues with capital project management and deficiencies and shouldn't that be

something that should be included in this audit? Director of Finance Navazio said that the main focus is on the financial statements and that Staff has considered and addressed those items and we have agreed that contra revenue accounting needs to go away. When Moss Adams says contra revenue accounting is confusing, when the Board adopted a budget, don't know that this rises to the level of change, falls into get rid and moving forward, we will. Capitalization is the biggest issue both in terms of materiality and in terms of the impact on financial statements. He is not sure that much came out of the Moss Adams first report with contract management, there was nothing in Moss Adams 1 regarding the concerns about accuracy of financial statements. Fixing it needs to happen, needs to accurately and fairly reflect the financial health of the District, and he agrees about capitalization. Trustee Schmitz said it would be helpful to give us a little rundown on what was done and what will be done in the future so no assumptions are made. Director of Finance Navazio said he understood. Audit Committee At-Large Member Tulloch said capitalization is dear to his heart and pushing on, fully concurs with Audit Committee At-Large Member Dobler on effluent pipeline. We talked about having to revise Board policies, he agrees with that and it would be a very sensible investment to do that. He would like to make a radical suggestion – there is zero advantage for having capital, depreciation, and book value. Maybe in our Utilities, but for others, it doesn't. He would strongly recommend, outside Utility, expense everything as there is no impact. Audit Committee At-Large Member Dobler said last year, in 2019, when the audit report was submitted to the Audit Committee, there was only one adjustment that was suggested by Eide Bailly and it was going to be a pass in the Utility Fund. He saw no other adjustments and this one that was recommended was not made because Staff decided they would take a pass on it. When we had a conversation a couple of meetings ago, with Eide Bailly's Ms. Williamson, materiality was kind of a secret and she couldn't disclose what was material and what wasn't. We kind of should know why what is the reason because is it material for an overcoat or a bikini and we are throwing out materiality left and right. Eide Bailly's Ms. Williamson said we know an error or an adjustment, we look at it, and if it doesn't rise to our level of materiality, then we need to tell him an option. Then, in addition, if there are things that are a pass, and we look at them in the aggregate, it is rising to the level of materiality and that did happen. Will we see in their final letter that listing of posted and postings as well as any that were passed on - will that be in that letter? Audit Committee At-Large Member Tulloch said he wanted to congratulate Audit Committee At-Large Member Dobler for getting bikinis into the Audit Committee. Trustee Schmitz asked when will we have the final CAFR, the

auditors' opinion, and the management representation letter? Director of Finance Navazio said we are planning to have the final CAFR and audit report transmitted to the Audit Committee and the Board of Trustees in time to send it out in the packet next week. Eide Bailly's Ms. Williamson said that is the current plan and the management representation letter is done concurrently. Audit Committee At-Large Member Dobler said our representation from our management is we aren't going to see before and the opinion after thus we will never see the management letter until you are ready to issue your opinion – that doesn't make any sense. Eide Bailly's Ms. Williamson said that the signed letter is done on the day we issue the opinion. Audit Committee At-Large Member Dobler said so we could get a draft on what he intends to send? Audit Chairman Dent asked if Staff could share that draft with the Audit Committee or do we have to wait on that? Director of Finance Navazio said he will share as soon as he has something. Eide Bailly's Ms. Williamson said these are the standards that they require. Audit Committee At-Large Member Dobler said so you prepare it for the Director of Finance and he signs it? Eide Bailly's Ms. Williamson said yes that is how they work. Audit Committee At-Large Member Dobler said that they are really not the Director of Finance's representations as you put a gun to his head and said sign this. Eide Bailly's Ms. Williamson said we are not forcing him to sign as we would discuss any concerns or questions that he had. Audit Committee Chairman Dent said tomorrow or Friday we will have the most updated CAFR.

E. APPROVAL OF MEETING MINUTES (for possible action)

E.1. Audit Committee Meeting Minutes of December 19, 2020

Trustee Schmitz said that the meeting minutes are very brief and not very clear so she would like to please request that the highlights of what Mr. Lanzarotta presented be included as it is not very clear to the public; she would like to have, for each of these items, to at least have the highlights so the questions would tie back to some context. Trustee Schmitz said she did also let the District Clerk Ms. Herron and the Director of Information Technology know that the meeting minutes haven't been updated. Chairman Dent asked if we can have those highlights included; District General Manager Winquest said he will talk to the District Clerk about it and get it cleared up. Audit Committee Chairman Dent said that the minutes are approved with adjustments made by Trustee Schmitz.

F. PUBLIC COMMENTS*

Margaret Martini passed on her opportunity to speak.

Linda Newman said thank you all for a very interesting meeting. In response to today's discussion, she would like to make a couple of requests:

Audit Chair Dent please request an extension to submit the 2020 CAFR to the State in order to ensure the District presents fair and accurate financial statements.

Please post on the District's website ALL the changes Management made to the Draft CAFR in this agenda's packet.

She also requests Mr. Dobler's participation at the Department of Taxation's zoom meeting on the District's transition to Enterprise Fund accounting for the Community Services and Beach Funds.

And, in light of Ms. Williamson's comments, can the Audit Committee have the form letter the Auditor requests Management to sign in advance of Management signing it.

Thank you. She looks forward to seeing the Trustees at the upcoming 6 pm Board Meeting.

G. ADJOURNMENT (for possible action)

The meeting was adjourned at 5:48 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.