

MEMORANDUM

TO: Audit Committee

FROM: Audit Committee Chair Raymond Tulloch

SUBJECT: Review, Discuss, and possibly Agree on Steps to Complete the Follow-Up on the Look-Back Project, of 31 Memorandums for consideration by Audit Committee. (Requesting Committee Member: Chair Tulloch)

DATE: December 19, 2024

I. RECOMMENDATION

The Audit Committee should Review, Discuss, and possibly Agree on Steps to Complete the Follow-Up on the Look-Back Project, of 31 Memorandums

II. BACKGROUND

A community member and former Audit Committee at Large member has previously provided the AC with 30 memos detailing issues he had identified and researched in connection with reporting in prior ACFRs. A major proportion of these involved potential incorrect capitalization of expense items.

The previous AC Chair, Chris Nolet, proposed to the Board of Trustees and the Director of Finance (“DoF”) in March of 2023 that a comprehensive “look back” project be undertaken to investigate and resolve (in whatever ways appropriate) **ALL** of the open matters before the Fiscal 2023 audit of the ACFR was completed. The project was approved, and a team of Navazio, Cliff Dobler (the source of most of the assertions of incomplete/incorrect accounting or reporting), Mick Homan (At-Large AC Member) and Chris Nolet was assembled.

This team met several times as a working group from mid-March through early June 2023. The project was “paused” as the extended BoT golf analysis and Fiscal ‘23/’24 budgeting process consumed the DoF’s time for the whole of June. While the team made very good progress in closing out a majority of the matters (19 of 28), it was agreed that Staff would do more work to better understand the possible impact of the remaining open items on various fiscal years financial statements. However, with the departure of Mr. Navazio at the end of June 2023 no further work was done on this.

Additional details of this process are contained in the memo written by Chris Nolet (attached) on January 23, 2024. Mr. Nolet also prepared a full binder describing the work carried out and the findings of the team. This was provided to then DoF, Bobby Magee. It has been reported that the binder and details of the issues were provided to Rubin Brown as part of the Due Diligence Audit. The contents of this binder are attached.

III. DISCUSSION

The memos under review identify important potential issues in IVGID financial reporting and should not be left in limbo. The AC should review the current status of the Look Back project and discuss and agree the additional work necessary to progress the project and if so the scope, timing and resourcing of the effort and the actions necessary to complete, and the responsible party(ies) to report back to the Audit Committee

III. FINANCIAL IMPACT AND BUDGET

Unknown at this stage

IV. ALTERNATIVES

The AC may decide no further work is necessary

V. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.