

IVGID BoT Meeting
March 28, 2024

Chris Nolet – IVGID resident and former
IVGID Audit Committee Chair through February 26, 2024

I want to address two matters tonight. The first was discussed at the Town Hall last night – staff retention. I understand that we are now on our third Controller in 15 months. If true, it seems obvious to say that you all need to take a new approach to training and retaining this Controller. One suggestion is to provide several weeks of extensive off-site professional training on 1) the Controllershship function, and 2) US GAAP and GASB standards, which are the basis of the District's financial statements.

The second matter relates to the false assertion that the 2023 financial statements are “audited.” I listened for over 90 minutes to last Monday's Audit Committee meeting, where the term “audited” was used almost a dozen times. The reality is that the current draft audit report **DISCLAIMS** an opinion of the financial statements and notes the following (and I quote):

- We have NOT been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion;
- There were numerous misstatements in the accounting records;
- We were unable to complete the audit procedures over revenues and expenses;
- We were unable to obtain sufficient audit evidence supporting other amounts in the financial statements. The audit report also noted, as did the AC members on Monday night, that other additional adjustments are likely required in order for the financial statements to be fairly presented;
- The auditors also reported that the District did not maintain an effective system of internal control over financial reporting, noting two material weaknesses and one significant deficiency.

To have described these financial statements to our community as “audited” is totally misleading. And lastly, it will be **EXTREMELY** difficult to complete the 2023 audit at a later date, which is a **REQUIREMENT**, before an audit of the 2024 financials can be started.

The dramatic state of disrepair of our financial reporting systems noted by our auditor this month was left to us by Paul Navazio and Indra Winquest last summer. While the current finance leadership team has made significant strides to get us this far along the path back to being able to produce financial statements that are fairly presented, let's not compound the current circumstances by asserting that the June 30, 2023 financial

statements are “audited” when clearly they are not. I hope the State DoT really understands what is being filed tomorrow.

Thank you.