The Audit Committee Meeting of the Incline Village General Improvement District will be held starting at 4:30 p.m. on Wednesday, January 24, 2018 in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*

B. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

Public Comment Advisory Statement – A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chair may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.

C. APPROVAL OF AGENDA (for possible action)

D. GENERAL BUSINESS ITEM (for possible action)

1. Review, discuss, and possibly approve the Audit Committee 2017 Annual Status Report to the Board of Trustees (Requesting Trustee: Chairman of the Audit Committee Phil Horan) – pages 3 - 6
E. APPROVAL OF THE MEETING MINUTES (for possible action)

1. Audit Committee Meeting of November 15, 2017 – pages 7 - 11

2. Audit Committee Meeting of December 13, 2017 – pages 12 - 21

F. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

G. ADJOURNMENT (for possible action)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, January 19, 2018 at 9:00 a.m., a copy of this agenda (Audit Committee Session of January 24, 2018) was delivered to the post office addressed to the people who have requested to receive copies of IVGID’s agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following six locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley’s Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID’s Recreation Center

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC
Clerk to the Board of Trustees (e-mail: sah@ivgid.org/phone # 775-832-1207)

Audit Committee Members: Phil Horan, Chairman, Peter Morris, Kendra Wong

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at IVGID’s Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.
MEMORANDUM

TO: Audit Committee Members
    Phil Horan, Kendra Wong, and Peter Morris

FROM: Gerald W. Eick CPA CGMA
       Director of Finance

SUBJECT: Review, discuss and possibly approve the Audit Committee 2017 Annual Status Report to the Board of Trustees

DATE: January 16, 2018

I. RECOMMENDATION

The Audit Committee approve its inaugural Annual Status Report to the Board of Trustees under Policy 15.1.0 as updated November 15, 2017.

II. BACKGROUND

The Audit Committee has considered content for its status report and given Staff direction to assemble a proposed document for posting. Staff has developed a format to separate actions for a particular fiscal period from those for overall governance. Suggestions made during the last two audit Committee meetings have been included. Staff believes the report is ready for final review and approval.

III. COMMENTS

Since this item is considered a report, it will not be an action time for a Board of Trustees meeting. Instead it is expected the Audit Committee Chair will notify the Board of Trustees, as a whole, of its completion under Board Updates. The Status Report will be posted to the District’s Financial Transparency website under the Comprehensive Annual Financial Report (CAFR) section.
MEMORANDUM

TO: Board of Trustees

FROM: Audit Committee
Phil Horan, Kendra Wong and Peter Morris

SUBJECT: Annual Status Report to the IVGID Board of Trustees relative to the Audit Committee Activities for 2017

DATE: January 16, 2018

Matters Relating to the Fiscal Year Ended June 30, 2017:

1. The Audit Committee met December 14, 2016 to ratify the selection of the District’s auditor for the year ending June 30, 2017. The Board of Trustees approved that appointment and the State was informed of the designation of the auditor according to Statute.

2. The Audit Committee, followed by an agenda item for the Board of Trustees, acted on May 10, 2017 to receive a reissued Comprehensive Annual Audit Report (CAFR) for the Fiscal Year Ending June 30, 2016. The Audit Committee’s discussion included reviewing Staff’s plan to address the internal control issue for a second review of the CAFR to be applied to the audit for June 30, 2017 and thereafter.

3. The Audit Committee met September 13 and November 15 to review revisions to Policy 15.1.0 which governs the Audit Committee. This process considered public comments. The process resulted in final revisions to clarify issues making the policy more relevant to current practice, over when it was first established in 2009. The Audit Committee and the Board of Trustees approved the update to Policy 15.1.0 effective November 15, 2017.

4. Audit Committee members have had access to correspondence addressed to the Board of Trustees, which is included in their Agenda Packets. Several of these items referred to audit and financial reporting issues. The Audit Committee Chair discussed the consideration of this correspondence with the Audit Engagement Partner during the September 2017 Fieldwork. The Audit Engagement Partner indicated no further action was deemed necessary.
5. The CAFR for the Fiscal Year ending June 30, 2017 was received November 29, 2017 by District Staff, and was distributed through the Agenda Packet for the December 13, 2017 meetings. The Independent Auditor’s Report is Unmodified. Further, their Report on Internal Control and Compliance has no items to report. The Auditor’s Comments indicate the finding for the year ended June 30, 2016 has been corrected. The Audit Committee and the Board of Trustees accepted the June 30, 2017 CAFR and had it distributed as required by Nevada Revised Statute.

6. At the December 13, 2017 meeting, the Audit Committee received the Independent Auditor’s letter on professional responsibility. This sometimes is called the communication with those charged with governance. It is addressed to the Audit Committee and is intended solely for the Audit Committee, Board of Trustees, and management. All Trustees received a copy of this letter.

Other Matters Going Forward:

1. The discussion on September 13, 2017 included identifying ways to provide resources to the Audit Committee and Trustees about the audit process and government financial reporting. Staff suggested the use of Government Finance Officers Association (GFOA) publications. Staff ordered several GFOA publications for use by Trustees and the Audit Committee. Topics include Government Financial Statements, Internal Controls, and Audit Committee Guidance. The materials have been placed by the Trustee mailboxes in the Administrative Building.

2. With the revision of Policy 15.1.0, the Audit Chair ask Staff to propose a method to identify and track correspondence or other contacts that might be made to the Audit Committee outside of process for Board of Trustees correspondence. Staff recommended the establishment of an e-mail account through ivgid.org specifically for the Audit Committee. This accounts allows the receipt to be date and time stamped and provide a ready method for tracking responses, referrals of these contacts, as well as any resolution. The e-mail account is administered by the District Clerk and accessible by the Audit Committee members.
3. The Audit Committee asked Senior Staff to clearly communicate to all Staff the invitation for confidential communication with the Audit Committee. A special section has been established on the District’s Staff Intranet that presents the Policy 15.1.0 and provides the Audit Chair’s and Committee Members contact information.

4. For the sake of efficiency, the Audit Committee ratified the designation of EideBailly, LLP for approval by the Board of Trustees, for the fiscal year ending June 30, 2018, for the December 13, 2017 meetings. The Audit Committee also discussed considering the question of auditor rotation at the end of the current five year agreement in 2020.

5. The Audit Committee initiated exploring a whistleblower process, to be added to the IVGID Code or other Policy documents. It is possible the District may refer to the provisions set and administered by the State of Nevada for their employees.
MINUTES

AUDIT COMMITTEE MEETING OF NOVEMBER 15, 2017
Incline Village General Improvement District

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Chairman Phil Horan on Wednesday, November 15, 2017 at 5:15 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

On roll call, present were Trustees Peter Morris, Phil Horan, and Kendra Wong.

Also present were District Staff Members Director of Finance Gerry Eick and Communications Coordinator Misty Moga.

Members of the public present were Linda Newman and Pete Todoroff.

(9 individuals in attendance at the start of the meeting which includes Trustees, Staff and members of the public.)

B. PUBLIC COMMENTS*

Linda Newman read from a prepared statement which is attached hereto.

Pete Todoroff said he has been business all his life. He said Trustee Dent is the Treasurer and should be on this committee. He said he doesn’t understand how this Board can keep Trustee Dent from being on this committee.

C. APPROVAL OF AGENDA (for possible action)

Chairman Horan asked for any changes to the agenda as submitted; no changes were requested thus the agenda is approved as submitted.

D. GENERAL BUSINESS (for possible action)

D.1. Review, discuss, and possibly approve a revised Audit Committee Policy 15.1.0 to forward to the Board of Trustees for adoption and to direct Staff for next steps (Requesting Trustee: Chairman Phil Horan)
Director of Finance Gerry Eick gave an overview of the proposed revisions to Audit Committee Policy 15.1.0.

Trustee Wong said she spoke with Mr. Carter from EideBailly and asked him about our policy. She said she asked if there were any requirements to have the Treasurer on the Audit Committee. Mr. Carter said it’s not necessarily the role of the Treasurer’s position, but rather, the financial knowledge of the committee members. Trustee Wong said Mr. Carter liked the policy; it follows the Government Finance Officers Association best practices.

Trustee Morris said the auditors have received a number of comments, questions, and claims from the public, and the auditors had to respond to them in the past. If they get anything from a member of the public, deemed in their professional responsibility, they will respond. Director of Finance Eick said yes, they have it in their engagement letter to extend their services, and it doesn’t preclude them from doing the work.

Chairman Horan said in December, if we have acceptance of the audit, we need to do a better job regarding the correspondence, reporting, and recognizing the questions and comments that were asked. To the auditors concern, they have a vested interested to make sure things are done right. We are asking them to do a good job and it’s in their best interest to do that. In December, we will have a report to identify those items in 2.3 and 2.4.

District General Counsel Reese said his law firm serves as general counsel for several governmental entities who use EideBailly. He said EideBailly always does a thorough review. The auditors have standards to report non-compliance; auditors take seriously their role to certify the accounting practices. It’s their dedication and hard work to following the various requirements of the accounting systems and standards. They are the gold standard of auditing.

Director of Finance Eick said to be clear, the items we are referring to, essentially, to meet the written report suggestion of 2.6 and addressing 2.3 and 2.4 or any other actions of the committee for the year past, these are matters of the committee, and not the auditors themselves. They actually deliver the letter regarding the governance. They have a professional responsibility to report if there is a disagreement with the management. There are ways to report activities.
Trustee Wong made a motion that the Audit Committee recommend adoption of the revised audit committee policy 15.1.0 by the Board of Trustees. Trustee Morris seconded the motion to recommend adoption. Hearing no further comment, Chairman Horan called the question - the motion passed unanimously.

E. APPROVAL OF THE MEETING MINUTES (for possible action)

E.1. Audit Committee Meeting of May 10, 2017

Chairman Horan asked for a changes/corrections; hearing none, deemed the minutes of the May 10, 2017 Audit Committee approved as presented.

E.2. Audit Committee Meeting of September 13, 2017

Chairman Horan asked for a changes/corrections; hearing none, deemed the minutes of the September 13, 2017 Audit Committee approved as presented.

F. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

There were no public comments at this time.

G. ADJOURNMENT (for possible action)

The meeting was adjourned at 5:33 p.m.

Respectfully submitted,

Misty A. Moga
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.

Submitted by Linda Newman (2 pages): 11-15-17 IVGiD Audit Committee Public Comments By: Linda Newman – To be included with the Minutes of the Meeting
Simply stated, the primary purpose of a government audit committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

According to the American Institute of CPAs, ensuring a strong foundation of fiscal accountability and governance requires a robust combination of strong internal controls, budgetary and legal compliance, accurate and timely financial reporting and disclosure, sound business practices, and a culture of uncompromised moral and ethical behavior. An effective Audit Committee would strive to reach these goals.

To do so, the audit committee would oversee and improve financial practices and reporting. It would create and maintain an effective anti-fraud prevention and detection program and ensure that investigations are undertaken if fraud is uncovered. The Committee would also encourage a comprehensive ethics and compliance program.

The audit committee would meet with the external auditors to monitor their services and activities to ensure that independence is maintained between the external auditor and the District’s management team. It would also meet with external auditors to discuss their independent observations on management’s ability to maintain strong internal controls, appropriate financial reporting and sound business practices. An effective audit committee would communicate a message of independence, reliability and trust. It would aim to achieve transparency in financial disclosures and effectively communicate the organization’s compliance and ethics policy.

Unfortunately, Audit Committee Chair Horan’s Revised Policy 15.1.0 fails even the minimum standards required of any government audit committee. It has vested the power of the Committee solely in the Chair, minimized any contribution by the other Trustees and shut out the public’s participation. And it has taken the extra step of censoring citizen oversight by confining complaints to the Committee and implementing a policy that would restrict the Auditor from collecting additional fees for reviewing any unapproved citizen alerts to improper/fraudulent/deceitful accounting practices. Following the template of all rubber stamp committees, it is only committed to meet once a year to consider the appointment of the District’s Auditor and receive the District’s CAFR - to meet the letter, but certainly not the
spirit of the rules. "Audit" does not accurately describe its purpose and calling it a Committee is a misnomer.
MINUTES
AUDIT COMMITTEE MEETING OF DECEMBER 13, 2017
Incline Village General Improvement District

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Chairman Phil Horan on Wednesday, December 13, 2017 at 4:30 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*

On roll call, present were Trustees Peter Morris, Phil Horan, and Kendra Wong.

Also present were District Staff Members Director of Finance Gerry Eick and Communications Coordinator Misty Moga.

Members of the public present were Frank Wright, Dan Carter from EideBailly, Steve Dolan.

(13 individuals in attendance at the start of the meeting which includes Trustees, Staff, and members of the public.)

B. PUBLIC COMMENTS*

Frank Wright said he didn’t know why this Board was elected or what the purpose are to be on the Board other than to sit and watch illegal actions and approve an auditor that was picked by the employees. It is kind of odd that you rubber stamp everything that Staff puts in front of you. There is a Staff member that should have been fired for selling property that was deeded to you as open space. Don’t know if you know that Washoe County is going to be asking a lot of questions and that the District is going to be on the hook for a lot of expenses. You, as Board members, if you were on any other Board, except in Nevada, this Staff member is an embarrassment, what he has done is outlandish, he signed the papers, he signed the deeds, he is right in the middle of all this illegal action, now he is going to give you a CAFR for the District and there is nothing in there that you should approve. There should be an outside source review before approval and he doubts if any of you have read it thus this is malfeasance in public office. Don’t think Trustee Morris knows how to read an audit report, don’t think he understands his role as a Board member, appalled that he is sitting up, and the time has got to come for you people to protect us. Money collected went to the Ski Fund and has any one of you asked where it went.
C.  **APPROVAL OF AGENDA (for possible action)**

Chairman Horan asked for any changes to the agenda; no changes were requested thus the agenda is approved as submitted.

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

D.1.  **Review, discuss, and possibly accept the June 30, 2017 Comprehensive Annual Financial Report including an Unmodified Report by the District’s Auditor (Requesting Staff: Director of Finance Gerry Eick)**

Director of Finance Gerry Eick gave an overview of the submitted materials and then introduced Dan Carter, Engagement Partner for EideBailly who went over the communication letter. Mr. Carter then drew attention to the CAFR, starting on pg. 114, and went over several pages following.

Chairman Horan asked if in your audit, for Fiscal Year ending June 30, 2017, you considered any correspondence regarding the year ending. Mr. Carter replied yes and that he reviewed it, brought it to the attention, and then determined the appropriate response from there. Chairman Horan asked if Mr. Carter had received any correspondence since. Mr. Carter said he received some during the audit but none since that time. Trustee Wong asked if the District incurred any additional fees; Mr. Carter said no, not this year. Trustee Morris asked if during your auditing, you found any instances, either real or potential, of misappropriation, misplacement, or fraud situations in our accounting. Mr. Carter said we did not and if we had we would be required to report it and material adjustments would be included in our Audit Report – you had all clean reports and nothing was noted.

Director of Finance Eick went back to agenda packet page 125, Statement of Net Assets, and said that the auditors commented on that and that he left those at your place. He then pointed out that each month Staff gives you financial statements and that the audit is the time to stop and reflect on assets, etc. Director of Finance Eick then went over that distributed sheet which is attached hereto. Chairman Horan said that this points out and makes it clear that we can’t spend the land, etc. Director of Finance Eick said yes, that is true and that governmental accounting is the model are available for use. The District can’t use land to pay bills as it is typical that the government would only borrow to acquire new or replace. Trustee
Morris said it would appear that the District has got a large sum in liquid assets and asked if his thinking was right in this and in looking at other investments. Director of Finance Eick said yes and by the Nevada Revised Statutes, the District can only invest in ten year or less, fixed rate investments and that we can't get too creative with the Federal Reserve policies. A three year certificate of deposit doesn't pay more than savings so a big portion is in the State Treasurer Local Government Pool. We are in the middle of projects so we keep up our liquidity to deal with whatever comes in. Chairman Horan said that we should have this discussion when we come to the whole Board. Director of Finance Eick said he will recap all pages and restate net position.

Trustee Wong made a motion to accept the June 30, 2017 unmodified audit report, and direct Staff to file the Comprehensive Annual Financial Report (CAFR) with the State of Nevada and make it generally available for public use. Trustee Morris seconded the motion.

Chairman Horan asked for further comment, received none, called the question – the motion was passed unanimously.

D.2. Review, discuss, and possibly approve designation of EideBailly, LLP as the District's Audit Firm for Audit Services for Fiscal Year Ending June 30, 2018 (Requesting Staff: Director of Finance Gerry Eick)

Director of Finance Eick gave an overview of the submitted materials. Trustee Wong said that this was your third year on the engagement; Mr. Carter said yes, our third year since transferring out of the Fallon office. Chairman Horan said he thinks continuity is important and that the District has a contract that takes us through 2020 and that then might be an appropriate time to change.

Trustee Wong made a motion to designate EideBailly, LLP as the District's audit firm for the fiscal year ending June 30, 2018, under their multiyear contract (covering 2016 through 2020) as outlined under the financial section of this memorandum. Trustee Morris seconded the motion.
Chairman Horan asked for further comment, received none, called the question – the motion was passed unanimously.

E. WORKSHOP*

E.1. Review, discuss, and consider 2017 matters relative to Audit Committee activities to develop the Annual Report to the Board of Trustees under Policy 15.1.0 – rough draft document to be distributed at the Audit Committee meeting (Requesting Trustee: Vice Chairman Phil Horan)

Chairman Horan gave an overview of what this workshop is about. Director of Finance Eick went over the draft memorandum which is included herewith as an attachment to these minutes. Chairman Horan said that this is a good way to make sure that the Audit Committee receives and keeps track of the information from the public. Trustee Morris said that this is good and that he would assume that we may still get paper communication which can be scanned. Director of Finance Eick said yes and that Staff has a proof of concept. Trustee Wong asked if the District has a whistleblower policy. Director of Finance Eick said we do not have one of our own however there is one embedded in the Nevada Revised Statutes and we discussed this at our September meeting and agreed to not adopt one of our own as there is lots of guidance out there. However, if we want to work on it, we can go in that direction. Trustee Wong said so if someone reaches out to the Audit Committee or the District Clerk, could that be an issue such that we have to model a whistleblower policy. Director of Finance said that on the Intranet Staff will also be listing the Audit Committee policy and providing direct contact information and that the e-mail account is more for the public than for internal. Trustee Morris said that members of the public can communicate directly with EideBailly and that whistleblower is wider than that; do the communications that go to EideBailly remain confidential. Director of Finance said historically, Staff has dealt with them however if the sender is only communicating with them then they have kept and we have allowed them to exercise their freedom. When it is sent to multiple addresses then that is our chance to have a copy. Trustee Morris said so this will allow for a repository on all communications except those sent director to the auditor. Director of Finance said yes. Trustee Wong said that we need to talk about it and have a clear policy. Trustee Morris said that he can’t see a way where there might be duplication of communication in the Audit Committee.
Director of Finance Eick said we will have to educate the public about using one or the other however the focus has been to the attention of the entire Board and he anticipates that will continue however we did want to have a vehicle to deal with those instances where the correspondence goes strictly to the Audit Committee to start to create the record.

Director of Finance Eick continued his review. Chairman Horan said that Staff has an appropriate method to communicate directly with the Audit Committee in the event they can't communicate with their supervisor and that the District's General Manager will take on that responsibility. District General Manager Pinkerton confirmed that he will regularly communicate that information.

Director of Finance Eick continued his review. Chairman Horan said we have identified several items to be included, structured, and accumulated, so he is directing Staff to come back with some comments about how to do it. Trustee Wong said she is fine to say we are working on it or put some mark as to progress/status update. Chairman Horan said he would like to try to have it for the next meeting. District General Manager Pinkerton said we are looking at January 24, 2018 as potential date. Trustee Morris said he echoes what has been said and that we build upon our first report and it is a status report rather than anything else. He looks forward to getting something out as it is a great opportunity to communicate to the many who don't attend as well as other Board members to see what is happening and see that things are happening.

F. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

Frank Wright said he was interested in the comments made by Board members about the fact that there is communication coming in from the public. We have a brilliant group of residents that have looked at the CAFR and they have made complaints to EideBailly on an assortment of items. Those items were not questioned by the Board members rather you are more interested in that they are duly noted. They are complaining about false information, phony financials, and not answering questions. We have misappropriation of funds and fraud going on with the Crystal Bay residents and when you don't ask you become as guilty of malfeasance and EideBailly is guilty as well because they don't know answer.
They don't take the information so you don't know what is in there. You aren't asking what are they complaining about, are they right, are we being cheated as a community, do you care, well he cares. The District has a lot of money in the bank so why don't you give it back to the people you have stolen it from? Give it back as it is our money, the community's money and not the District's money. Does EideBailly care – no. This Board just decided to continue with the same continuity. What you should do is to try and get another auditor.

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

The meeting was adjourned at 5:21 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.*
### INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
### STATEMENT OF NET POSITION
### JUNE 30, 2017

<table>
<thead>
<tr>
<th><strong>ASSETS</strong></th>
<th><strong>Primary Government</strong></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td><strong>Business-Type Activities</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$7,587,855</td>
<td>$1,796,283</td>
</tr>
<tr>
<td>Investments</td>
<td>1,744,385</td>
<td>6,797,142</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>95,104</td>
<td>1,068,585</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>27,224</td>
<td>29,368</td>
</tr>
<tr>
<td>Taxes and Fees from Washoe County</td>
<td>45,222</td>
<td>-</td>
</tr>
<tr>
<td>Grant receivable</td>
<td>30,869</td>
<td>-</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>530,343</td>
<td>-</td>
</tr>
<tr>
<td>Inventories and supplies</td>
<td>618,031</td>
<td>141,875</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>584,349</td>
<td>195,375</td>
</tr>
<tr>
<td>Long term investments</td>
<td>9,713,793</td>
<td>3,984,852</td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporarily restricted investments</td>
<td>180,564</td>
<td>305,022</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>16,904,036</td>
<td>6,715,544</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>1,841,242</td>
<td>4,519,884</td>
</tr>
<tr>
<td>Equipment, Structures, Improvements, Infrastructure,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>74,928,987</td>
<td>79,750,712</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,349,710</td>
<td>549,903</td>
</tr>
<tr>
<td>Accrued personnel costs</td>
<td>1,451,502</td>
<td>317,407</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>21,353</td>
<td>75,401</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>69,216</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1,161,689</td>
<td>534,559</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>1,187,000</td>
<td>495,761</td>
</tr>
<tr>
<td>Due in more than one year</td>
<td>1,854,347</td>
<td>5,118,604</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>7,094,817</td>
<td>7,091,635</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOW OF RESOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Inflow (Property Taxes and Facility Fees)</td>
<td>36,218</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>50,729,901</td>
<td>59,817,845</td>
</tr>
<tr>
<td>Restricted Investments by Third Party Agreement</td>
<td>180,564</td>
<td>305,022</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>16,887,487</td>
<td>12,536,210</td>
</tr>
<tr>
<td>Total net position</td>
<td>$67,797,952</td>
<td>$72,659,077</td>
</tr>
</tbody>
</table>
WORKSHOP MEMORANDUM

TO: Audit Committee

FROM: Gerald W Eick CPA CGMA
Director of Finance

SUBJECT: Possible items for Annual Report to the IVGID Board of Trustees relative to the Audit Committee Activities for 2017.

DATE: December 13, 2017

I. BACKGROUND

The Audit Committee recommended that the Board of Trustees adopt revised Policy 15.1.0. This was done at the November 15, 2017 meeting. The Policy calls for a written annual report. The following are some of the Audit Committee’s activities that might be included in the first report under that Policy.

II. POSSIBLE REPORT ITEMS

For the Year Ended June 30, 2017:

1. The Audit Committee met December 14, 2016 to ratify the selection of the District’s auditor for the year ending June 30, 2017. The Board of Trustees approved that appointment and the State has informed according to Statute of the designation of the auditor.

2. The Audit Committee, followed by the an agenda item for the Board of Trustees, acted on May 10, 2017 to receive a reissued Comprehensive Annual Audit Report (CAFR) for the fiscal Year Ending June 30, 2016. The Committee’s discussion included reviewing staff’s plan to address the internal control issue for a second review of the CAFR, during future year’s preparation.

3. The Committee met September 13 and November 15 to review revisions to Policy 15.1.0 which governs the Audit Committee. This process considered public comments, which in turn became final revisions to clarify issues that makes the Policy more relevant to current practice over when it was first established in 2009.
Possible items for Annual Report to the IVGID Board of Trustees relative to the Audit Committee Activities for 2017

December 13, 2017

4. Audit Committee members have had access to correspondence addressed to the Board of Trustees, and included in their Agenda Packets, that referred to audit and financial reporting issues. The Audit Committee Chair discussed the consideration of this correspondence with the Audit Engagement Partner during the September Fieldwork. The Audit Engagement Partner indicated no further action was deemed necessary.

5. The CAFR for the fiscal year ending June 30, 2017 was received November 29 by District staff, and was distributed through the Agenda Packet for the December 13, 2017 meetings. The Independent Auditor’s Report is Unmodified. Further their Report on Internal Control and Compliance has no items to report. The Auditor’s Comments indicate the finding for the year ended June 30, 2016 has been corrected.

6. At the December 13 meeting, the Committee received the Independent Auditor’s letter on professional responsibility. This sometimes is called the communication with those charged with governance. It is addressed to the Committee and is intended solely for the Audit Committee, the Board of Trustees and management.

Other Matters Going Forward:

7. The discussion on September 13 included identifying ways to provide resources to the Audit Committee and Trustees about the audit process and government financial reporting. Staff suggested the use of Government Finance Officers Association (GFOA) publications. This idea seemed reasonable. Staff ordered several GFOA publications for use by Trustees and the Committee. Topics include Government Financial Statements, Internal Controls and Audit Committee Guidance.

8. With the revision of Policy 15.1.0, the Audit Chair ask staff to propose a method to identify and track correspondence or other contacts that might be made to the Audit Committee outside of process for Board of Trustee correspondence. Staff is recommending the establishment of an email account through ivgid.org specifically for the Audit Committee. This will allow the receipt to be date and time stamped, and provide a ready method for tracking responses, referrals of these contacts, as well as any resolution. The email account would be administered by the District Clerk and accessible by the Audit Committee members.
9. The Committee also asked Senior Staff to identify a method to clearly communicate to all staff, the method for open communication with the Audit Committee. A special section has been established on the District's Staff Intranet that presents the Policy 15.1.0 and provide the Audit Chair’s and Committee Members contact information.

10. For the sake of efficiency the Audit Committee ratified the designation of Eide Bailly, LLP for approval by the Board of Trustees, for the fiscal year ending June 30, 2018, for the December 13, meetings.

11. The Audit Committee Chair has asked for a future meeting to finalize the report for 2017, and then provide it as correspondence to the Board of Trustees.