



CPAs & BUSINESS ADVISORS

WASHOE COUNTY, NEVADA

June 30, 2023 Audit Presentation

YEAR ENDED JUNE 30, 2023 FINANCIAL AUDIT HIGHLIGHTS

- Unmodified audit opinion, which is the highest level of assurance that we provide
 - Pages 2-6
- Managements Discussion and Analysis
 - Pages 7-16
- Government-Wide (Full Accrual)
 - Pages 17 - 19
 - Total Net position of \$566M
 - Deficit \$257M after restrictions due to NPL of \$571M
- Focus is on major funds – General Fund, Child Protective Service Fund, Other Restricted Fund, Capital Improvements Fund and the Utilities Fund
- General Fund (Modified Accrual)
 - Pages 20 and 23
 - Positive fund balance of \$154M - \$138M is unrestricted
 - Change in fund balance – (\$11M decrease)



YEAR ENDED JUNE 30, 2023 FINANCIAL AUDIT HIGHLIGHTS

- **Notes to Financial Statements**
 - Pages 42 -96
 - Pg. 94 – Note 20 error corrections
- **Report on Internal Controls (Financial Reporting)**
 - Pages C-2
 - Several Findings we will review in the Schedule of Findings And Questioned Costs
- **Report on Each Major Program and Internal Controls over Uniform Guidance**
 - Pages C-4
 - Several Findings we will review in the Schedule of Findings And Questioned Costs



YEAR ENDED JUNE 30, 2023 FINANCIAL AUDIT HIGHLIGHTS

- SEFA pg. C-8 to c-21- \$82M in federal expenditures – we tested 4 major programs
- Major Programs
 - Emergency Rental Assistance Program
 - Coronavirus State and Local Fiscal Recovery Funds
 - Foster Care
 - Capitalization Grants for Clean Water State Revolving Fund
- Schedule of Findings and Questioned Costs – pg. C-24
 - Material Weaknesses identified – Finding 2023-001 is related to an unreported fiduciary fund, Finding 2023-002 is related to proper revenue recognition and Finding 2023-003 is related to the proper recording of leases and software subscriptions under GASB 87 and 96.

YEAR ENDED JUNE 30, 2023 SINGLE AUDIT HIGHLIGHTS

- We had several single audit related findings – page C-27
 - 2023-004 to 007 – Corona Virus State and Local Fiscal Recovery Fund – 21.027
 - Subrecipients monitoring - assistance listing #'s being provided to subrecipient's
 - Procurement - one contract in our sample was not fully executed and two contracts were not reviewed prior to procuring goods
 - Reporting – written justification was not maintained for capital projects over \$1M and certain amounts were reported incorrectly
 - SEFA was overstated by \$1.2M
 - 2023-008 to 010 – Emergency Rental Assistance Program 21.023
 - Allowable Activities - 21 payments to participants with no documented controls
 - Eligibility – 60 payments with no documentation of eligibility
 - Reporting – expenditures on reports did not agree to the underlying documentation
 - 2023-011 – Foster Care 93.658
 - Reporting – average monthly child count did not agree to underlying supporting documentation
 - 2023-012 - Clean Water State Revolving Fund – 66.458
 - Procurement – contracts did not contain all required provisions

REQUIRED COMMUNICATIONS - HIGHLIGHTS

- No significant issues in working with management
 - They were excellent to work with and professional every step of the way
- New accounting policy – *GASB 96 Subscription Based Information Technology Arrangements (SBITA)*
- Restatements
 - This is a separate paragraph in the audit opinion, however our opinion was not modified relating to these matters
 - Restatement details are included in Note 20 to the financial statements related to revenue recognition and an unreported fiduciary fund



QUESTIONS?