

WASHOE COUNTY AUDIT COMMITTEE

MEETING MINUTES

**Friday, February 12, 2016 at 2:00 p.m.
Caucus Room**

Committee Attendees: Dave Stark, Keith Romwall, Elaine Alexander, Kitty Jung, and John Slaughter
Absent: n/a
Other Attendees: Felicia O'Carroll, Dan Carter, from Eide Bailly and Cathy Hill, Comptroller, Mark Mathers, Budget Division.

AGENDA ITEM 1 Call to Order

The meeting was called to order at 2:00 p.m. and John Slaughter performed the roll call – those listed above were present.

AGENDA ITEM 2 Approval of Agenda

Mr. Slaughter moved to approve the agenda. Ms. Alexander seconded the motion, which carried unanimously.

AGENDA ITEM 3 Public Comment

There was no public comment.

AGENDA ITEM 4 Presentation: Fiscal Year 2015 Comprehensive Annual Financial Report (CAFR) year ending June 30, 2015 as presented before the Board of County Commissioners on February 9, 2016. Representative from Eide Bailly, LLP, and Cathy Hill, Comptroller, will be available for questions

Felicia O'Carroll presented an executive summary to the members relating to GASB 68 (Governmental Accounting Standards Board) and 71. The management's discussion and analysis is put together by Washoe County staff to help provide a little bit more perspective on the financial statements.

Felicia continued to explain the County's net position, which is the difference between what is owned and what is owed. It was also explained that Truckee Meadows Water Authority's divestiture has a lot to do with the decrease in business type activities in the County.

Unfunded PERS liability and the County's proportionate share were discussed and a state wide comparison was provided to gain perspective on pension liability as it relates to Washoe County.

Felicia also stressed the fact that it is wise to keep an eye on as you go through the years to make sure Washoe County ends up on a break-even basis.

A brief overall was provided regarding GASB 68 and how it relates to OPEB (Other Post-Employment Benefits). Washoe County is usually cognizant of where it needs to be and typically stays close to budget.

Felicia spoke of the County's two financial statement findings, 1) centrally assessed taxes and 2) prior period adjustment. Capital Appreciation Bonds were also discussed and suggestions were made on how to keep track of these bonds.

Felicia informed that the single audit is with their second partner, quality review. Reporters were commended for their reports.

AGENDA ITEM 5 Presentation: Report on Agreed-Upon Procedures for Collection of the AB 104 Gaming Tax from Grant Thornton LLP

John Slaughter began the presentation by giving the background of the issue, explaining when and AB 104 came into play.

Mr. Slaughter explained that an error was detected back in FY 2009, late last summer, showing the County's revenue dropping more than could be explained by the recession. Grant Thornton was contracted to test this issue and came back with suggestions on how to improve the process and performances in the future.

Eleven recipients include the Washoe County, City of Reno, City of Sparks, three fire districts (Truckee, Sierra, and North Lake Tahoe Fire) Incline Village General Improvement District, Sun Valley General Improvement District, Palomino Valley General Improvement District, and the Verdi Improvement District.

A discussion was had about how this issue was missed and what needs to happen in order to prevent it from happening again. Mark Mathers shared the changes that have been implemented within the department to prevent issues of this nature.

Commissioner Jung asked about a criminal investigation/audit. Mr. Slaughter confirmed that this issue was discussed with the District Attorney's office. The current finance team has budget experience.

AGENDA ITEM 6 Calendaring Next Meeting

Mr. Slaughter proposed that when Ms. Gordon returns, she shall send out an email suggesting dates for scheduling the meeting.

AGENDA ITEM 7 Audit Committee Member Comments

Mr. Slaughter introduced Cathy Hill, County Comptroller, to the present members of this Committee.

Mr. Slaughter suggested two items: 1) update on the gaming tax situation and 2) update on the single audit.

AGENDA ITEM 8 Public Comment

There was no public comment.

AGENDA ITEM 9 Adjournment

Mr. Stark moved to adjourn, Mr. Slaughter seconded the motion, which motion carried unanimously.