

Honorable Chair Leavitt and CLGF Committee Members:

Thank you for the opportunity to update the Committee on Local Government Finance on the IVGID progress under the Fiscal Watch designation.

The District has made significant progress over the past year starting with stabilized leadership in the Finance Department. Some of the highlights of our progress include but are not limited to:

- The Fiscal 2025 audit was conducted by Clifton Larson Allen and completed with unqualified opinion
- The 2025 Single audit was completed
- Fiscal 2026 auditor, again CLA, has been re-engaged with planning in place to issue timely report before November 30, 2026, statutory deadline.
- Forensic audit findings closed out. 36 of 41 items fully closed. Remaining 5 items closed out with interim controls and processes in place - awaiting final close out with implementation of remaining Tyler ERP modules
- Provide number control issues from 2024 audit fully or partially remediated as of end of fiscal 2025, with remediation of remaining items in place for fiscal 2026-year end.
- Preliminary budget for FY 2027 was completed and accepted by the State Department of Taxation. On track for final budget completion following review with BOT scheduled for May 27. Public hearing on the Facility fee scheduled for May 27.
- We have achieved stability within the Finance/accounting organization. The Department is now fully staffed for the first time in over 3 years. The Director and Controller have significant career experience in public accounting.
- All reconciliations are up to date and completed on a timely basis.
- Tyler ERP back on track with primary modules operational and remaining modules subject to clear roll-out deadlines and ongoing tracking. An internal power users committee works together with Finance to identify and implement changes in operations that ensure the reporting to the Tyler system is part of the business processes and that Departments are now able to pull reliable reports out of the Tyler system.
- Financial reporting to the Board is occurring monthly with reports pulled directly from the Tyler system. The Board packets include a Treasurer report, monthly bill pay report, and the regular financial reports. The District Finance Director presents these reports to the Board publicly at the first Board meeting of the month.



As the Committee can see, we have returned to a healthy, well-functioning organization that has its finances in order and is transparent to the public. We are now meeting all the requirements for GID's under state law.

We know a handful of our residents consistently write the Department of Taxation making representations of fraud or mismanagement by the District. One resident even wrote a book about claimed years and years of fraud at IVGID. In your packets is correspondence claiming irregularities with the Beach House project, which are egregiously false. Unfortunately, these allegations are

constant from certain members of our community, and unfortunately there just is no moving forward for the District for these members of the community. For 21 years straight, from 1997 to 2018, the IVGID was a recipient of the Certificate in Excellence for Financial Reporting based on the Annual Comprehensive Financial Report. Working with our citizen audit committee, we have already cleared or have a plan to rectify all the material weaknesses or significant deficiencies identified in the audit and the remaining few items from the Rubin Brown report. We have been as transparent as possible. But as the CLGF has evidenced, unfortunately it will never be enough for some of our residents.

I would also call your attention to the op-ed piece that was written by the District Treasurer, Mick Homan, that highlights all the changes that have taken place in the District over the past year.

<https://www.tahodailytribune.com/news/ivgid-from-organizational-and-financial-crisis-to-measurable-progress-in-16-months/>

Given that IVGID is now in compliance with all state statutes, I would respectfully request that the Committee consider lifting the Fiscal Watch designation from IVGID. As you hear from our Finance Director and auditor about those items on the agenda, I would encourage you to ask your staff about the status of the District meeting the objectives by the State. If we are in full compliance, then I would ask for the lifting of that designation. While I'm sure there are residents that would vociferously argue that we should remain on fiscal watch, I am hopeful that either you can consider lifting that designation or informing us what else we may still need to demonstrate.

Kindest regards,



Robert Harrison  
IVGID General Manager.

