

Audit Committee Meeting
Washoe County, Nevada
April 2, 2026 at 3:00 p.m.

Voting Members: John Briscoe, Charlene Hart, Sabrina Grenet, Kevin Stroupe,
Commissioner Jeanne Herman

Non-Voting Members: County Manager Kate Thomas

Absent: Commissioner Hill, County Manager Kate Thomas

Other attendees: Katelyn Kleidosty (Internal Audit Manager), Louis Martensen (Internal Auditor), Abbe Yacoben (Chief Financial Officer), Trenton Ross (Deputy District Attorney), Cathy Hill (Comptroller), Laura Nelson (Senior Audit Manager – Eide Bailly), Teri Gage (Partner – Eide Bailly), Ken Bayless (Audit Manager – Eide Bailly)

Agenda Item 1: Roll Call

The meeting was called to order at 3:00 PM by Mr. John Briscoe, Chair of the Audit Committee. The meeting was temporarily delayed until 3:16 PM due to technical issues with Zoom video and audio. The roll call was conducted; Commissioner Hill and County Manager Kate Thomas were absent. Those listed above were present at the meeting. A quorum was established.

Agenda Item 2: Public Comment

Public comments were called in the room and online and no one responded to the request for public comment.

Agenda Item 3: Election of the Chair and Vice-Chair for the Audit Committee

The election of the Audit Committee Chair and Vice-Chair was conducted after the meeting had been called to order earlier in the agenda. Chair Briscoe called for public comment; Mr. Martensen confirmed there was no public comment either in-person or online. No discussion was held by the Committee.

Vice-Chair Hart made a motion to nominate John Briscoe for the position of Audit Committee Chair for the upcoming year. Mr. Stroupe seconded the motion. The motion passed unanimously, and Chair Briscoe was elected as Audit Committee Chair.

Chair Briscoe then called for public comment regarding the election of the Vice-Chair. Mr. Martensen again confirmed that there was no public comment. No discussion was held by the Committee.

Mr. Stroupe made a motion to nominate Charlene Hart for the position of Vice-Chair. Chair Briscoe seconded the motion. With no further discussion, the motion passed unanimously, and Charlene Hart was elected as Audit Committee Vice-Chair.

Agenda Item 4: Presentation of the FY 2025 Annual Comprehensive Financial Report

Following earlier agenda items, Chair Briscoe introduced Item 4 regarding the presentation of the Fiscal Year 2025 Annual Comprehensive Financial Report (ACFR), related audit results, and the amendment of the Fiscal Year 2024 report.

Ms. Laura Nelson, Senior Audit Manager with Eide Bailly, presented the report. She explained that the ACFR and Single Audit were issued separately this year due to delays in the federal compliance supplement, which prevented timely completion of the Single Audit. As a result, the County issued the financial statements separately to ensure timely reporting. Ms. Nelson reported that the County received an unmodified (clean) audit opinion, indicating that the financial statements were fairly presented in all material respects. She noted that total net position increased from approximately \$674 million in the prior year to \$771 million in Fiscal Year 2025. She further explained that the County continues to report a deficit in unrestricted net position, primarily driven by the net pension liability, which is typical for a government of this size.

She further reviewed the major governmental funds, noting no changes from the prior year. The General Fund balance increased from approximately \$154 million to \$164 million. She also highlighted the implementation of GASB Statement No. 101 related to compensated absences, which had minimal impact on the County, and discussed the upcoming implementation of GASB Statement No. 103, which will primarily affect the Management's Discussion and Analysis section.

Ms. Nelson then discussed internal control and compliance results. She reported two financial statement findings: one related to subscription-based information technology arrangements, which was reduced from a material weakness to a significant deficiency, and one material weakness related to federal grant revenue recognition. She noted that overall findings have decreased in both number and severity, indicating continued improvement in internal controls and financial reporting.

Furthermore, she provided an overview of the Single Audit, noting that approximately \$87 million in federal expenditures were reported for Fiscal Year 2025. Major programs audited included the Coronavirus State and Local Fiscal Recovery Funds, Child Support Services Program, and Homeland Security Grant Program. Two findings were reported for the Coronavirus program, both repeat findings from the prior year, including a material weakness in subrecipient monitoring and a significant deficiency related to reporting. She noted that both findings had improved in severity compared to the prior year.

Ms. Nelson also discussed the reissuance of the Fiscal Year 2024 report. She explained that approximately \$12 million in expenditures were incorrectly reported in the wrong fiscal year, primarily related to the CARES Campus project. Due to the materiality of the error, the County was required to reissue the report and perform additional audit procedures. As a result, additional material weaknesses and compliance findings were reported for Fiscal Year 2024. She noted that the issue was identified and addressed, and that the County used the situation as an opportunity to improve processes and prevent recurrence.

Additionally, Ms. Teri Gage, Partner with Eide Bailly, expressed appreciation for County staff and acknowledged their efforts in supporting the audit process. Comptroller Hill echoed this sentiment, noting strong collaboration between staff and auditors and highlighting that the reissuance, while unexpected, provided an opportunity for process improvements and additional training across departments. Comptroller Hill also congratulated Ms. Nelson on her promotion to Partner.

Chair Briscoe asked whether recent economic downturn trends observed in other governmental entities were impacting Washoe County. Ms. Nelson responded that Washoe County remains in a relatively strong financial position compared to other entities, particularly school districts, and noted that the County's planning efforts have helped mitigate potential impacts. Comptroller Hill added that the County benefits from a strong and experienced team.

Chair Briscoe asked if there were any additional questions or discussion. There were none. Representatives from Eide Bailly departed the meeting.

Agenda Item 5: Approval of Minutes for November 6, 2025 Meeting

Chair Briscoe opened the item for approval of the November 6, 2025 meeting minutes and asked if members had any changes or corrections. Vice-Chair Hart noted a minor revision on page 7, indicating that the last sentence of the first paragraph should include the word "and" for clarity. Ms. Kleidosty acknowledged the correction and confirmed it would be incorporated. The Committee discussed the change and agreed it was minor and did not alter the substance of the minutes. Chair Briscoe then called for a motion to approve the minutes as amended. Vice-Chair Hart moved to approve the minutes with the noted revision. Mr. Stroupe seconded the motion. Following discussion, Chair Briscoe called for any further discussion and public comment. Mr. Martensen confirmed there was no public comment in person or online. The motion to approve the November 6, 2025 meeting minutes, as amended, passed unanimously.

Agenda Item 6: Audit Update Discussion

Chair Briscoe introduced the audit update and recognized Ms. Kleidosty to present. Ms. Kleidosty provided an update on recently completed cash control audits. She reported that audits of Washoe County Regional Animal Services, Community Services Department (Building Services), the Recorder's Office, and Juvenile Services (Jan Evans) resulted in no exceptions, with the exception of an immaterial discrepancy of \$0.05 at Juvenile Services, which was addressed through inclusion in a subsequent deposit to the Treasurer's Office. No further issues were identified. No questions were raised by the Committee.

She then discussed the cash control audit of the Registrar of Voters Office. She noted several improvements and recommendations, including enhancing physical security over cash, strengthening segregation of duties, improving recording and reconciliation practices, implementing daily cash counts, and strengthening controls over checks and voided transactions. Management indicated plans to implement improvements, including purchasing a new point-of-sale system and safe, implementing

a three-person process for deposits, requiring supervisor approval for voided transactions, updating cash handling procedures, and evaluating options for daily transaction tracking. Vice-Chair Hart inquired about the timing of the follow-up audit, and Ms. Kleidosty confirmed it would likely occur in approximately six months, depending on progress. No additional questions were raised.

Furthermore, Ms. Kleidosty reported that an annual cash count was also conducted for the Treasurer's Office, with no exceptions noted. She explained that additional counts had been performed due to staffing changes and standard annual procedures.

Additionally, Ms. Kleidosty stated that management responses had been received for the Conflict Counsel audit and were included in the meeting materials. She offered to review the responses in detail; however, no questions were raised by the Committee.

Moving on to audits in progress, Ms. Kleidosty then provided updates on ongoing audit activities. She reported that work continued on the Housing and Homeless Services – Shelters audit, including the CARES Campus. She noted that recent personnel and structural changes had impacted progress. She stated that multiple audit programs had been developed, with two nearing completion, and that a preliminary report related to the Continuum of Care (CoC) structure and Homeless Management Information System (HMIS) governance had been provided to management. The report is expected to be presented at a future Audit Committee meeting. Ms. Kleidosty also reported that work was ongoing on the cash control audit for Technology Services and that a Purchase Card (P-Card) audit program had been developed but fieldwork had not yet begun.

During discussion, Chair Briscoe inquired whether the Housing and Homeless Services audit included evaluation of program effectiveness. Ms. Kleidosty clarified that Internal Audit's scope is limited to evaluating procedures and financial controls, and that assessing program effectiveness would require engagement of a specialized external firm. Chair Briscoe confirmed that he was not requesting a separate audit of program effectiveness.

Chair Briscoe asked for any additional questions or discussion. None were noted.

Agenda Item 7: Fraud Hotline

Next, Ms. Kleidosty reported that a total of eight hotline items had been received, noting that none were significant or concerning in nature. She clarified that the number listed on the agenda was incorrect on the agenda.

Additionally, Ms. Kleidosty presented the updated fraud hotline flyer, which has been distributed to all departments and included in new hire onboarding materials to ensure all employees have access to reporting resources. She also noted the implementation of a QR code to improve accessibility.

Following the presentation, Chair Briscoe asked if there were any questions from Committee members, including those attending virtually. No questions or comments were raised.

Agenda Item 8: Calendaring of Future Audit Committee Meetings

Chair Briscoe introduced the discussion regarding future Audit Committee meeting dates. Ms. Kleidosty clarified that the next meeting would be held on June 25th at 3:00 p.m., noting a correction to a typographical error listed on the agenda. She confirmed that a reminder would be sent to Committee members.

Agenda Item 9: Audit Committee Member Comments

Chair Briscoe opened the floor for Audit Committee member comments. Vice-Chair Hart suggested that a future agenda item include a review of the Audit Committee Charter. She noted concerns related to term limits, the frequency of charter review, and required meeting frequency. Chair Briscoe asked for clarification regarding the specific concerns. Vice-Chair Hart reiterated the items identified and expressed concern that the Committee may not be operating in full alignment with the Charter. Ms. Kleidosty clarified that the Charter requires the Committee to meet at least four times per year and noted that the Committee had not met this requirement during the current fiscal year. Further discussion followed, during which Chair Briscoe and Ms. Kleidosty confirmed the number of meetings held to date in the fiscal year. Vice-Chair Hart reiterated the importance of reviewing the Charter to address potential discrepancies. With no additional comments, Chair Briscoe asked for any further Committee member input. None were noted.

Agenda Item 10: Public Comment

There was no public comment for this item.

Adjournment

The meeting was adjourned at 3:52 p.m. by Chair Briscoe.