

TOPAZ RANCH ESTATES GENERAL IMPROVEMENT DISTRICT

1490 Albite Rd., Ste 8

Wellington, Nevada 89444

www.tregid.com

8:00AM to 2:30PM

(775) 266-3212 or (775) 266-3000

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RE: INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MA TIERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* per pages 47-56 of the annual audit report for fiscal year ended June 30, 2023, issued April 11, 2023.

September 22, 2023

To Whom It May Concern,

We have reviewed the audit findings on pages 47-56 of the annual audit report signed by Dave Silva of Silva, Sceirine & Associates, LLC, dated April 11, 2023, as well as Note 2 to the audit.

Finding #2021-1, #2021-2, #2022-1 and #2022-2 (Internal controls over financial reporting were considered weak and staff unqualified, needing additional training; Bank reconciliations with secondary review to mitigate risk of errors and or fraud).

Response: Existing staff at that time was immediately offered training and rejected the support. Less than three months after the audit report was issued, existing staff resigned of their own volition and the resignation was accepted. Subsequently independent accounting services were contracted on an emergency basis to maintain compliance with governmental agency reporting requirements, review and reconciliation of financial reporting, and systems implementation of improved internal controls as recommended by the audit report. The interview process is in place to hire a permanent on-site bookkeeper and a manager of business affairs for secondary review as recommended by the auditor.

Finding #2022-3 (Internal controls over the storage and security of financial data were considered materially weak and required off-site storage to prevent loss of data).

Response: The financial system and records have been moved to a cloud service and the payroll processed by a 3rd party service provider as recommended by the auditor.

NOTE 2-Compliance with Nevada revised statutes NRS 354.624(1) – timely filing of annual audit report.

Response: The Nevada State Department of Taxation, (NVSDT) approved extensions as requested by TRE, therefore maintaining compliance with the statutes. Pursuant to NRS 354.6245, the Department of Taxation is charged with the review of all annual audits to determine their compliance with statutes and/or regulations. The department must also identify all violations of statute and/or regulations reported therein.

On April 17, 2023 the Department completed its review of the audit report and found that NO violations of statute and/or regulations were noted. The auditor met the statutory provisions required by NRS 354.624 and NRS 354.6241.

The audits for the prior two fiscal years were timely submitted to NVSDT were submitted timely and are on file at their office. At the time of writing of this response there are no compliance violations on file with any governmental authorities.

The audit for fiscal year June 30, 2023 is in process and is anticipated to be timely filed.

If you should require a copy of this letter or the original letter, please look on the TRE website under the tab “documents”.

Kind regards,

Lisa Sandbo

Lisa Sandbo, Treasurer

Michael Tanner

Michael Tanner, Trustee