



Management Response to 2020 Audit

NVC has addressed the issues that it believes contributed to the 2020 qualified audit opinion for the Water and Sewer departments.

As background, in August 2020, NVC transitioned its Treasurer, Finance Manager and Bookkeeping functions. Two issues occurred that impacted the general ledgers. First, the Quickbooks Desktop general ledger file provided to the new accounting firm and finance manager was corrupted. Second, NVC used “classes” to categorize the entries to the general ledger but should have been using properties as well.

These errors were discovered at the beginning of the 2020 Audit in February 2021. The corrupted file was addressed migrating from Quickbooks Desktop, where a single file was used and transferred to/from the accounting firm and finance manager, to Quickbooks Online (QBO). The general ledger was then compared with the results from the 2019 audit and the necessary corrections made. For the 2020 audit, NVC corrected the categorization of entries to be both property and class to the extent possible.

Going forward, NVC continues to use QBO providing a stable accounting platform where the general ledger is backed up. In addition, NVC has worked with its accounting firms to correctly categorize all entries by both property and class. For 2023, NVC is migrating to separate QBO files for each of its departments (properties) to further reduce the complexity of the accounting system.