



**Audit and Risk Committee Report
February 2023 Meeting of the UWC-USA
Board of Trustees**

Agenda

- Audit
 - FYE 2021
 - FYE 2022
 - FYE 2023
- Risk
 - Fallout from fire still with us
 - Insurability
 - Water
 - Fire conditions
 - Legal and human challenges

Audit

- The FYE 2021 financial audit was on hold for several months as the auditor did not have time to work on it until after December 1, 2022 due to her firm's other priorities. Since December 1, significant progress has been made. As of the week of January 23, the audit was 70% complete. We expect completion during February.
- We have completed the groundwork for the FYE 2022 financial audit, so that as soon as we have the final numbers from FYE 2021 we can move it forward. We anticipate beginning the FYE 2022 audit in March, also due to timing on the side of our auditor.
- We expect to start the FYE 2023 audit on time and with the same auditor, though we will go out to bid for the FYE 2024 audit as a matter of good practice. We are overdue in this regard, largely due to turnover in the business office.

Risk

- Fallout from fire still with us
 - Human: community still dealing with trauma
 - Financial: so far \$1.5M identified, with some \$300K outstanding, but costs continue and will have a longer half life
 - Operations
 - Service providers/services under pressure and limited, affecting operations and deferred maintenance schedule
 - Labor market more challenging even than usual
 - Staff time on losses (insurance, FEMA/legal counsel)
 - Still catching up with disruption in operations
- Insurability: insurance broker thinks we will be insurable but at higher rates (renewal rates directly after the fire 25%-27% higher than year before)

Risk

- Water
 - Debris from flooding expected to affect water system for years to come
 - Las Vegas has received \$140M and working with FEMA on
 - A new water treatment facility to address diminished water quality needing additional treatment as a result of the fire
 - An effluent reuse facility for advanced treatment and indirect potable reuse to provide an additional water source
 - A sediment removal system at Storrie Lake
 - A sediment removal system near the Gallinas Diversion in the canyon
 - Testing of our campus water system has new urgency and will cost us
- Fire conditions immediately surrounding the campus remain, though burn scar serves a protective function
- Legal and human challenges regarding land and land use