

NOTICE OF MEETING

The Audit Committee Meeting of the Incline Village General Improvement District will be held starting at **6 p.m.** on **March 11, 2021** at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

In compliance with State of Nevada Executive Department, Declaration of Emergency Directives 006, 016, 018, 021, 026, and 029, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 4:00 p.m. on March 11, 2021 or via telephone (the telephone number will be posted to our website on the day of the meeting).

- A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*
Derrek Aaron (At-Large Member), Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), and Raymond Tulloch (At-Large Member)
- B. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.
- C. APPROVAL OF AGENDA (*for possible action*)

The Audit Committee may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Audit Committee may make a motion to accept and follow the agenda as submitted/posted.

- D. GENERAL BUSINESS ITEMS (*for possible action*)
 - 1. Review, discuss, and possibly approve Whistleblower Procedure for Financial Matters (Requesting Audit Committee Member: Sara Schmitz; Requesting Staff Member: District General Counsel Josh Nelson) – **pages 4 - 7**
 - 2. Staff update on Internal Controls (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 8 - 382**
 - 3. Staff update on Chart of Accounts (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 383 - 399**
 - 4. Review, discuss, and assess prior years' auditors, items for correction, deliverables, timeline for this year's audit, and Policy 15.1.0 (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent) – **pages 400 - 406**
 - 5. Review, discuss, and possibly take action regarding the memorandum from Clifford F. Dobler to Audit Committee dated November 30, 2020 – Subject: External review on the effect of complying with Dillon's Rule relating to employee benefits (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent) – **pages 407 - 412**

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

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6. Review, discuss, and possibly take action regarding the memorandum from Clifford F. Dobler to Audit Committee dated November 30, 2020 – Subject: External review on the effect of leasing property to nonprofit tenants at below market rates and complying with Dillon’s Rule relating the absence of specific references to Donations in NRS. Chapter 318 General Improvement Districts (Requesting Audit Committee Member e: Audit Committee Chairman Matthew Dent) – **pages 413 - 416**
7. Review, discuss, and possibly take action regarding the memorandum from Clifford F. Dobler to Audit Committee dated November 30, 2020 – Subject: Can “Community Programming” activities be provided by IVGID if not specifically expressed in Nevada Revised Statutes as required by Dillon’s Rule? (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent) – **pages 417 - 423**
8. Review, discuss, and possibly take action related to the following communications that have been received and are included: (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent)
 - a. Memorandum from Cliff Dobler to IVGID Audit Committee dated November 23, 2020 – Effluent Pipeline – Phase II – Meters and Equipment – **pages 424 - 427**
 - b. November 25, 2020 e-mail communication regarding Memorandums by Clifford F. Dobler and Linda Newman regarding accounting errors and irregularities in the Incline Village General Improvement District Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 – **pages 428 - 429**
 - c. December 19, 2020 email communication to James C. Lanzarotta – Moss Adams LLP regarding Red-lined Draft Final Report on Evaluation of Certain Accounting and Reporting Matters: Punch Card Accounting dated December 19, 2020 from IVGID Audit Committee Member Clifford F. Dobler and Linda Newman – **pages 430 - 466**
 - d. Memorandum from Cliff Dobler to Indra Winquest dated January 6, 2021 – Budget manipulations – WRRF Aeration Systems Improvements Project #2599SS1707 – **pages 467 - 469**
 - e. Memorandum from Cliff Dobler to Indra Winquest dated January 6, 2021 – General Fund 2019 Capital Projects – Cost overruns on IT infrastructure – Project #1213CO1505 – **pages 470 - 476**
 - f. January 26, 2021 email communication from Aaron L. Katz; Subject: Whose idea was it to come up with the retaliatory provisions of the Committee’s proposed whistleblower procedure for financial matters? – **pages 477 - 478**
- E. LONG RANGE CALENDAR REVIEW
- F. APPROVAL OF MEETING MINUTES (for possible action)
 1. Audit Committee Meeting Minutes of January 27, 2021 – **pages 480 - 502**
 2. Audit Committee Meeting Minutes of February 10, 2021 – **pages 503 - 514**
- G. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.



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H. ADJOURNMENT *(for possible action)*

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Monday, March 8, 2021 at 9:00 a.m., a copy of this agenda (Audit Committee Session of March 11, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following six locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne
2. Incline Village Post
3. Crystal Bay Post
4. Raley's Shopping
5. Incline Village
6. IVGID's Recreation

**SUSPENDED – STATE OF NEVADA
EXECUTIVE DEPARTMENT,
DECLARATION OF EMERGENCY,
DIRECTIVE 006 (SECTION 3), 016,
018, 021, 026 and 029**

Vorderbruggen Building (Administrative Offices)
Office
Office
Center
Branch of Washoe County Library
Center

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC

Clerk to the Board of Trustees (e-mail: sah@ivgid.org/phone # 775-832-1207)

Audit Committee Members: Derrek Aaron (*At-Large Member*), Matthew Dent (*Trustee, Chair*), Cliff Dabler (*At-Large Member*), Sara Schmitz (*Trustee*), and Raymond Tulloch (*At-Large Member*)

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoepace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

MEMORANDUM

TO: Audit Committee

FROM: Josh Nelson
District Legal Counsel

REVIEWED BY: Indra S. Winqest
District General Manager

SUBJECT: Review, discuss, and possibly approve Whistleblower Procedure for Financial Matters

DATE: March 11, 2021

I. RECOMMENDATION

The Audit Committee receive, review, potentially revise, and consider adopting the enclosed Whistleblower Procedure.

II. BACKGROUND

The Audit Committee has been delegated the authority to review and refine financial whistleblower procedures under Policy 15.1.0 (2.8). At two prior meetings, the Audit Committee reviewed and provided comments on a draft Whistleblower Procedure. In response to the latest comments, Staff worked with Trustee Schmitz to substantially revise the draft procedure. Enclosed is a revised draft based on those efforts. A redline is not provided given the number of changes.

The proposed process generally involves the receipt, investigation, and disposition of complaints regarding financial misconduct or other violations of applicable law or IVGID ordinances, resolutions, and policies. Complaints by employees should generally be made through the chain of command. Complaints may also be made through the IVGID website. Upon receipt, complaints will be investigated by the District General Manager with oversight by the Audit Committee Chair in coordination with Human Resources and legal counsel as appropriate.

III. ALTERNATIVES

Do not move forward with the proposed procedure.

IV. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

General

The Incline Village General Improvement District (IVGID) expects its employees, Trustees, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of IVGID must practice honesty and integrity in fulfilling their responsibilities and comply with all IVGID Policies, Practices, Resolutions and Ordinances and other applicable laws and regulations. Moreover, IVGID is committed to transparency and fostering a “speak up” culture. This Whistleblower Procedure implements Board of Trustees Policy 15.1.0(2.8).

In addition, IVGID encourages its employees, volunteers, and other stakeholders of the organization to share their questions, concerns, suggestions, or complaints with their supervisor, Venue Manager, Trustees, General Manager, or the Audit Committee Chair.

The Whistleblower Procedure includes the following:

- The methods for submission of concerns by employees, Trustees, volunteers, and other stakeholders of the organization on a confidential and anonymous basis to the extent permitted by applicable law.
- The receipt, retention, and treatment of complaints received by the Audit Committee regarding accounting, internal controls, auditing matters, or other violations of laws or policies.
- The protection of employees, Trustees, volunteers, and other stakeholders of the organization reporting concerns from retaliatory actions.

Reporting Responsibility

It is the responsibility of all employees, Trustees, and volunteers to report Misconduct in accordance with this Whistleblower Procedure. Other stakeholders of the organization may also report Misconduct in accordance with this Whistleblower Procedure.

“Misconduct” means (a) questionable or improper accounting or auditing matters, (b) violations and suspected violations of federal, state, local laws, and (c) violations and suspected violations of IVGID ordinances, policies, and procedures, resolutions including, but limited to, those related to financial reporting, safety, and accounting.

Employees should:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

- A. First discuss any Misconduct with their immediate supervisor.
- B. If, after speaking with his or her supervisor, the individual continues to have reasonable grounds to believe Misconduct occurred, the individual should report the suspected Misconduct to the Director of Human Resources.
- C. If the individual is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the Misconduct, the individual should report his or her concern directly to the Director of Human Resources. If the Misconduct was reported verbally to the Director of Human Resources, the reporting individual, with assistance from the Director of Human Resources, shall reduce the Misconduct to writing. The Director of Human Resources is required to promptly report the suspected Misconduct to the Chair of the Audit Committee and the General Manager..
- D. Report the issue to the Chair of the Board of Trustees should the concern of Misconduct implicate one or both of the General Manager or the Chair of the Audit Committee.
- E. Report the issue to the Chair of the Board of Trustees or any other Trustee if the Chair is implicated.

Contact information for the Chair of the Audit Committee may be obtained through the Human Resources Department. Allegations of Misconduct may be also be submitted anonymously through the IVGID website. Such anonymous allegations of Misconduct will be sent directly to the Chair of the Audit Committee with a copy to the General Manager.

Upon receipt an allegation of Misconduct, the receiving party shall take swift action which shall include investigating the allegation. The appropriate level of inquiry will depend on the nature of the allegation. Investigations shall include the Human Resources department and legal counsel as applicable.

It is the responsibility of the General Manager to take immediate action to investigate and determine if corrective action needs to be taken. To ignore a report may result in disciplinary action up to and including termination for inaction. The Chair of the Audit Committee shall retain ultimate responsibility to ensure that allegations of Misconduct are appropriately investigated.

No Retaliation

This Whistleblower Policy is intended to encourage and enable Trustees, volunteers, and employees to report Misconduct within IVGID for investigation and appropriate action. With this goal in mind, no Trustee, volunteer, or employee who, in good faith, reports Misconduct shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, a volunteer or employee who retaliates against someone who has reported Misconduct in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

Retaliation includes harassment or adverse employment actions, such as unwarranted discipline or termination. Any employee, Trustee or volunteer who retaliates in violation of this procedure is subject to discipline up to and including termination of employment or removal as a volunteer, as applicable.

Acting in Good Faith

Anyone raising concerns of Misconduct must be acting in good faith and have reasonable cause for believing the information disclosed indicates Misconduct. Any allegations that prove to be made maliciously or knowingly false will be viewed as a serious disciplinary offense. For employees, this may result in termination.

Confidentiality

To the extent permitted by applicable law, reports of Misconduct or suspected Misconduct will be kept confidential on a "need-to-know" basis, consistent with the need to conduct an adequate investigation. Improper or unauthorized disclosure of reports of Misconduct or resulting investigations will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment.

MEMORANDUM

TO: Audit Committee

THROUGH: Matthew Dent
Audit Committee Chair

FROM: Paul Navazio
Director of Finance

SUBJECT: Staff Update – IVGID System of Internal Controls

DATE: January 22, 2021

I. RECOMMENDATION

Receive a presentation on IVGID's System of Internal Controls Framework.

II. BACKGROUND

The Board of Trustees and Audit Committee have identified the need to review and, where appropriate, strengthen internal control policies, policies, procedures and practices consistent with financial management and accountability best practices. Further, the Board of Trustees recently authorized the Audit Committee to engage outside contract services to assist in the review of internal controls and, separately, the Board, through its Audit Committee, is working to update Policy 15.1.0 that establishes the role and responsibility of the Audit Committee to support its broad oversight charge, including in the area of internal controls.

The Audit Committee received a report from the Director of Finance at their meeting of May 6, 2020 outlining the elements of a comprehensive framework for developing and implementing a systems of internal controls. The purpose of that report and framework presentation was to highlight for the Board of Trustees, staff and the public how the various components of a system of internal controls work together and, taken collectively, achieve the goal of robust and sound internal controls in support of the Board's role as fiduciary of public funds and assets.

On July 29, 2020 an agenda item was presented to the Audit Committee that provided an overview the existing policies, practices and procedures that serve as a foundation for the District's system of internal controls.

This report is intended to provide a more in-depth review of the District's existing internal control documents an inform "next step" in the District's assessment of its existing internal controls, including selected areas where polices, practices and procedures warrant updating to current best practices as well as identify areas where there may be gaps in

policy or procedures that represent weaknesses in the District's overall system of internal controls.

Specifically, the presentation will review the following internal control documents:

- a. District Ordinances
- b. Board Resolutions
- c. Board Policies
- d. Board Practices
- e. Financial and Accounting Policies and Procedures
- f. Purchasing Policy
- g. Personnel Policies

III. **STRATEGIC PLAN REFERENCE(S)**

Long Range Principle #2

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

IV. **ATTACHMENTS**

- 1) Framework of System of Internal Controls (from Audit Committee packet of May 6, 2020).
- 2) Matrix of District's Existing System of Internal Controls
- 3) Review/Update of Finance and Accounting Procedures
- 4) Documents:
 - a. Summary of Board Ordinances
<https://www.yourtahoeplace.com/ivgid/resources/ivgid-ordinances>
 - b. Summary of Board Policies / Practices
<https://www.yourtahoeplace.com/ivgid/resources/board-policies-practices>
 - c. Summary of selected Board Resolutions
https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Policy_and_Procedure_Resolutions.pdf
 - d. Finance and Accounting Procedures – Table of Contents
 - e. Purchasing Policy
 - f. Personnel Policy
 - g. Procurement Card Program

MEMORANDUM

TO: Audit Committee

THROUGH: Matthew Dent
Audit Committee Chair

FROM: Paul Navazio
Director of Finance

SUBJECT: Review, discuss and provide feedback on Draft Framework for Implementing System of Internal Controls

STRATEGIC

PLAN REFERENCE(S): Long Range Principle #2

DATE: April 26, 2020

I. RECOMMENDATION

Review, discuss and provide feedback on a Draft Framework for Implementing System of Internal Controls.

II. BACKGROUND

The Board of Trustees and Audit Committee have identified the need to review and, where appropriate, strengthen internal control policies, procedures and practices consistent with financial management and accountability best practices. Further, the Board of Trustees recently authorized the Audit Committee to engage outside contract services to assist in the review of internal controls and, separately, the Board, through its Audit Committee, is working to update Policy 15.1.0 that establishes the role and responsibility of the Audit Committee to support its broad oversight charge, including in the area of internal controls.

By considering a comprehensive framework for developing and implementing a systems of internal controls, the Board, Staff and the public will be better informed as to how the various components of a system of internal controls work together and, taken collectively, achieve the goal of robust and sound internal controls in support of the Board's role as fiduciary of public funds and assets.

III. ALTERNATIVES

As deemed appropriate during discuss of this topic.

IV. STRATEGIC PLAN REFERENCE(S)

Long Range Principle #2

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

V. BUSINESS IMPACT

The Audit Committee, Board, and District leaders are enabling all of Staff to become actively engaged with the oversight of the District's finances.

VI. ATTACHMENTS

- 1) Framework for Internal Controls –Tasks
- 2) Framework for Internal Controls – Implementation Plan

DRAFT

FRAMEWORK FOR REVIEW AND IMPLEMENTATION OF INTERNAL CONTROLS

PHASE TASKS

Part 1 - Comprehensive Assessment of IVGID Internal Controls / PROJECT

- Review all relevant Board Policies and Procedures
 - Review all Administrative Policies and Procedures
 - Evaluate "gaps" in internal controls
 - Absence
 - Oversight/compliance
 - Separation of duties
 - Develop formal recommendations for Updating Internal Controls
 - Update existing policies
 - Establish new policies
 - Formalize Accountability
 - Staff Training
-

Part 2 - Regular and Continual Review of Internal Controls

- Establish regular "cycle" of review / update / continuous improvements
 - Example: All administrative policies and procedures will be reviewed on a 3-year cycle (1/3 per year).
-

Part 3 - Internal Audit(s)

- a) Concurrent with tasks identified in Part 1, develop comprehensive list of "areas" for internal controls
 - Primary focus on areas with greatest "risk" to District related to liability, fraud, missappropriation of public funds and/or assets
 - On an annual basis, TWO (?) areas will be candidates for a formal Internal Audit
 - Assess adequacy of internal controls
 - Evaluate compliance with existing policies
 - Report on "Findings and Recommendations"

 - b) Implement / Formalize periodic "impromptu" internal audits of operations and administrative practices and procedures
 - Random, unscheduled, unannounced
-

Part 4 - External Independent Auditor

- SAS Requirements - Elected Officials and Executive Management
 - Identify areas of concern re risk/liability/fraud
 - Memorandum of Internal Controls
 - Review of Internal Controls related to Financial Management based on review of policies, procedures and roles
 - Random sampling of transaction records (payroll, accounts payable, revenue, expenditures, fixed assets, debt).
-

FRAMEWORK FOR REVIEW AND IMPLEMENTATION OF INTERNAL CONTROLS

PHASE	TASKS	RESPONSIBILITY					Schedule				
		Board	Audit Committee	Staff	Consultant	External Auditor	Q4 A M J	Q1 J A S	Q2 O N D	Q3 J F M	Q4 A M J
Part 1 - Comprehensive Assessment of IVGID Internal Controls / PROJECT											
	<input type="checkbox"/> Review all relevant Board Policies and Procedures <input type="checkbox"/> Review all Administrative Policies and Procedures <input type="checkbox"/> Evaluate "gaps" in internal controls Absence Oversight/compliance Separation of duties <input type="checkbox"/> Develop formal recommendations for Updating Internal Controls Update existing policies Establish new policies Formalize Accountability Staff Training	Lead	X X	X Lead X	X Lead						
			X	X	Lead x Lead x x						
Part 2 - Regular and Continual Review of Internal Controls											
	<input type="checkbox"/> Establish regular "cycle" of review / update / continuous improvements Example: All administrative policies and procedures will be reviewed on a 3-year cycle (1/3 per year).		X	Lead					Annually		
Part 3 - Internal Audit(s)											
a)	<input type="checkbox"/> Concurrent with tasks identified in Part 1, develop comprehensive list of "areas" for internal controls Primary focus on areas with greatest "risk" to District related to liability, fraud, missapportion of public funds and/or assets <input type="checkbox"/> On an annual basis, TWO (?) areas will be candidates for a formal Internal Audit Assess adequacy of internal controls Evaluate compliance with existing policies Report on "Findings and Recommendations"		X	X	Lead Lead				Annually Rpt	Annually Rpt	
b)	<input type="checkbox"/> Implement / Formalize periodic "impromptu" internal audits of operations and administrative practices and procedures Random, unscheduled, unannounced			Lead					Ongoing		
Part 4 - External Independent Auditor											
	<input type="checkbox"/> SAS Requirements - Elected Officials and Executive Management Identify areas of concern re risk/liability/fraud <input type="checkbox"/> Memorandum of Internal Controls Review of Internal Controls related to Financial Management based on review of policies, procedures and roles Random sampling of transaction records (payroll, accounts payable, revenue, expenditures, fixed assets, debt).	X	X	X					Annually		
		X	X	X	Lead				Annually		

Y MATRIX

Policies / Practices / Policy Resolutions

Board Policies		Accounting and Financial Procedures		Personnel Policies		Board Policy Resolutions		
		Old Section	New Section	Section		Number	Resolution Description	
1.1.0	Strategic Planning	I	6.3.1 Internal Controls	1	General Provisions	098 495	Indemnifying Trustees and Officers of the District	
2.1.0	Financial Standards	II	6.3.2 Controls in a Computer Environment	2	Employee Relations	103 1475	Granting of Easements Across District Property	
3.1.0	Conduct of Meetings of the Board of Trustees	III	6.3.3 General Ledger and Journal Entries	3	Employment	105 1480	Personnel Management	
4.1.0	Performance Measurement for Decision Making	IV	6.3.4 Cash	4	Compensation	110 1493	Community Relations Expenditures	
5.1.0	Budgeting for Results and Outcomes	V	6.3.5 Revenue Cycle	5	Leave Plans	111 1494	Collection of Delinquent Special Assessments	
6.1.0	Adoption of Financial Practices	VI	6.3.6 Production Cycle	6	Benefits	113 1517	Use of Trademark by Private Businesses and Persons	
7.1.0	Appropriate Level of Fund Balance	VII	6.3.7 Pre-paid Expenses	7	Travel Expenses	115 1527	Use of IVGID Boardroom	
	Practice 7.2.0 Appropriate Level of Fund Balance	VIII	6.3.8 Investments	8	Procurement Cards	116 1538	Penalty and Interest Charges on Delinquent Accounts	
8.1.0	Establishing the Estimated Useful Lives of Capital Assets	IX	6.3.9 Property and Equipment	9	Performance Management (Evaluations)	120 1575	Group Use of Beaches	
9.1.0	Establishing Appropriate Capitalization Thresholds	X	6.3.10 Purchasing and Accounts Payable	10	Employee Separation	121 1581	Settlement of Lawsuits and Related Claims	
	Practice 9.0.0 Capitalization of Fixed Assets	XI	6.3.11 Notes Payable / Long-Term Debt	11	Rules for Conduct and Behavior	127 1619	Complimentary Recreation Privileges	
10.1.0	Use of Local Government Investment Pools	XII	6.3.12 Accrued Liabilities	12	Disciplinary Actions and Appeals	129 1632	Relinquishment and Acquisition of Utility Easements / Encroachment Agreements	
11.1.0	Investment Management	XIII	6.3.13 Human Resources and Payroll	13	Concern/Dispute Resolution	132 1701	Fundraising / Donnation Activities at District Facilities	
	Practice 11.1.0 Investment Management	XIV	6.3.14 Budget Cycle	14	Health and Safety	134 N/A	Service of Alcoholic Beverages at IVGID Facilities	
12.1.0	Multi-Year Capital Planning		6.3.15 Electronic Payment Systems	15	Definition of Terms	135 1760	Temporary Dog Park at Village Green	
13.1.0	Capital Project Budgeting		6.3.18 Central Services Cost Allocation			136 N/R	Access to District Property and the Use of District Facilities for Expression	
	Practice 13.2.0 Capital Expenditure		Procurement Cards Program			137 1801	Public Records	
14.1.0	Debt Management					138 1849	Naming/Dedication of IVGID Facilities	
	Practice 14.2.0 Debt Management					Other	1838	Establishing Special Revenue, Capital and Debt Fund Structure
15.1.0	Audit Committee							
16.1.0	Recreation Roll							
17.1.0	Personnel Policies							
18.1.0	Central Service Cost Allocation Plan							
	Practice 18.2.0 Central Services Cost Allocation Plan							
19.1.0	Appropriate Level of Working Capital							
	Practice 19.2.0 Appropriate Level of Working Capital							

Accounting and Financial Procedures

Old Section	New Section		Review				Revisions					Staff Responsibility			Comments		
			Date	Current	Update	Obsolete	New	Draft	Review	Final	Date	Initial	Policy	Admin.		Compliance	
I	6.3.1	Internal Controls Effective Internal Controls															
II	6.3.2	Controls in a Computer Environment Application Controls Program Maintenance Computer Operations Security															
III	6.3.3	General Ledger and Journal Entries Maintaining an Effective Accounting System General Ledger Activity Adequate General Ledger Maintenance															
IV	6.3.4	Cash Cash Management Cash Receipts Disbursements from Bank Accounts Imprest and Similar Funds Bank Reconciliations															
V	6.3.5	Revenue Cycle Revenue Recognition Accounts Receivable Customer Returns and Allowances Other Revenues															
VI	6.3.6	Production Cycle Sales and Product Forecasts Cost-Flow Methods Inventory Control Periodic Physical Inventory Inventory Obsolescence															
VII	6.3.7	Pre-paid Expenses Monitoring and Accounting for Prepaid Expenses Controlling Asset Balances															
VIII	6.3.8	Investments Investment of Idle Funds Safeguarding of Investments Return of Investment															
IX	6.3.9	Property and Equipment Additions to Property and Equipment Accurate Records of Property and Equipment Depreciation of Property and Equipment Existence of Capital Assets Disposal of Capital Assets															

Accounting and Financial Procedures

Old Section	New Section		Review					Revisions					Staff Responsibility			Comments		
			Date	Current	Update	Obsolete	New	Draft	Review	Final	Date	Initial	Policy	Admin.	Compliance			
X	6.3.10	Purchasing and Accounts Payable																
		Determination of Needs																
		Placement of Orders																
		Cellular Telephone Use																
		Receipt and Acceptance																
		Establishment of Accounts Payable																
		Return of Goods to Suppliers																
		Purchase Cut-Off																
		Procurement Card Program																
		Advertising																
		Tipping																
		Bulk Purchases																
XI	6.3.11	Notes Payable / Long-Term Debt																
		Financial Resource Requirements																
		Assumption and Authorization of Debt																
		Safekeeping of Debt Agreements																
		Record of Debt																
		Timely Interest Expense Accruals																
		Debt Payments																
		Bond Discounts and Premiums																
		Current and Long-Term Debt Summary																
		Debt Covenants																
XII	6.3.12	Accrued Liabilities																
		Monitoring of Accrued Liabilities																
		Reconciliations and Accuracy																
XIII	6.3.13	Human Resources and Payroll																
		Payroll and Personnel/Human Resources																
		Wages and Salaries																
		Timekeeping																
		Payment to IVGID Employees																
		Payroll Deductions																
		Quarterly and Year-End Reports																
XIV	6.3.14	Budget Cycle																
	6.3.15	Electronic Payment Systems																
	6.3.18	Central Services Cost Allocation																
		Procurement Cards Program																

Ordinances set District rates, rules, and regulations as they apply to the operations of the District and service charges to the District's customers. Currently there are four active ordinances; they are as follows:

Ordinances 1 - An Ordinance Establishing Regulating Solid Waste Matter and the Collection, Removal and Disposal thereof:

This ordinance outlines the process of how solid waste rates are updated and determined each year, as well as, how service is provided by our Utility Fund. The District has entered into a Franchise Agreement with a third party to provide this service. The franchise agreement provides for an annual increase based on predetermined parameters.

Ordinance 2 – An Ordinance Establishing Rate Rules and Regulations for Sewer Service by the Incline Village General Improvement District:

This ordinance outlines the process of how sewer rates are determined each year, as well as, how service is provided within by our Utility Fund.

Ordinance 4 – Rules and Regulations for Water Service by the Incline Village General Improvement District:

This ordinance outlines the how water rates are determined each year and how service is provided within our Utility Fund.

Ordinance 7 – An Ordinance Establishing Rate Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District:

This ordinance addresses fees and charges for the District's recreational business type activities; such as, our beaches, golf, ski, parks, and other recreational venues. This ordinance outlines fee structures and application of such fees on the users.

Policy and Practice Statements represent best business practices as they apply to the District. A policy statement is set by the Board of Trustees, as the highest authorization level. A Board Policy statement is broad and sweeping, and provides for sound financial and management practices. A Board Practice statement provides a framework for the procedures for the execution of the higher level Policy statement.

Current Board Policy and Practices include:

- Policy 1.1.0 Strategic Planning: This policy recognizes the importance of using some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending, broad organizational goals and sets key steps to execution. The policy outlines the need to initiate the strategic planning process, prepare a mission statement, assess environmental factors, identify critical issues, agree on a small number of broad goals, develop strategies to achieve Long Range Principles, develop objectives, create an Action Plan, incorporate performance measures, obtain approval of the plan, implement the plan, monitor progress, and finally to reassess the strategic plan.
- Policy 2.1.0 Financial Standards: This policy states that the Board of Trustees will maintain a set of Long Range Principles under the Strategic Planning Process. They will include at a minimum an element for each of the following areas: 1) Resources and Environment; 2) Finance; 3) Workforce; 4) Services; 5) Facilities; and 6) Communications.
- Policy 3.1.0 Conduct of Meetings of the Board of Trustees: This policy allows the Board of Trustees to fix the time and place of the regular meeting of the Board of Trustees and provide the manner in which special meetings may be called, for proceedings of the Incline Village General Improvement District, Washoe County and State of Nevada. It addresses regular meetings, special meetings, meeting places, holidays, item(s) of business, rules of proceedings, assures that Robert's Rules are followed, agenda preparation, reconsideration, public participation, officers of the Board, authorization to sign checks, facsimile signature, reports, consent calendar, legislative matters and conflict resolution.
- Policy 4.1.0 Performance Measurement for Decision Making: This policy states that program and service performance measures will be developed and used as an important component of long term financial planning and decision making. It is linked to the budgeting and performance measures as an integral part of the budget process. The expectation is that meaningful performance measures are produced and expanded as identified.

- Policy 5.1.0 Budgeting for Results and Outcomes: This policy establishes parameters to achieve the objective of integrating performance into the budgetary process. These processes will until conducting analysis, prioritize results, allocate resources, set measures, monitor outcomes and communicate performance results.
- Policy 6.1.0 Adoption of Financial Practices: This policy establishes that the District will maintain the following processes: 1) financial planning as it pertains to a balanced budget, long-range planning, and asset inventory; 2) revenue as it pertains to revenue diversification, fees and charges for services, use of one-time revenue and use of unpredictable revenues; 3) expenditures for debt capacity, issuance and management of debt service, reserve or stabilization accounts, and operating and capital expenditure accountability.
- Policy 7.1.0 Appropriate Level of Fund Balance: This policy addresses maintaining a formal practice on the level of fund balance that should be maintained in the General and Special Revenue Funds.
- Policy 8.1.0 Establishing the Estimated Useful Lives of Capital Assets: This policy addresses the estimated useful lives of the District's capital assets and the approach taken. Normally, the District's past experience with similar assets that guide the estimated useful lives. In situations where the documentation of the District's own past experience for a given type of capital asset, is not adequate for this purpose, the District will consider the experience of other governments, professionally determined specifications and private-sector enterprises. The following factors are also considered: quality, application of the asset, environmental conditions that impact the life, matching the asset to the department use, and maintenance of the asset.
- Policy 9.1.0 Establishing Appropriate Capitalization Thresholds: This policy addresses the guidelines in establishing capitalization thresholds and the estimated useful life. It addresses that the potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service; and that capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets. In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item. Capitalization thresholds, if the District is a recipient of Federal awards, then Federal requirements will prevail, when they prevent the use of the District capitalization thresholds.
- Policy 10.1.0 Use of Local Government Investment Pools: This policy outlines items for consideration when using Local Government Investment Pools (LGIPs); such as, the investment eligible under governing laws and that the

District fully understands the investment objectives, legal structure and operating procedures of the investment pool before placing any money in the pool.

- Policy 11.1.0 Investment Management: This policy addresses that the District properly managing the risk in its portfolios to achieve investment objectives and comply with investment constraints. This is accomplished by carefully and clearly defining what the objectives mean for safety, liquidity, and return to the District, preparing a cash flow projection to determine liquidity needs and the level and distribution of risk that is appropriate for the portfolio, considering political climate, stakeholders' view toward risk and risk tolerances, ensuring liquidity to meet ongoing obligations (investing a portion of the portfolio in readily available funds, such as Local Government Investment Pools, money market funds, or overnight repurchase agreements), establishing limits on positions in specific securities to protect against default risk, limiting investments in securities that have higher credit and/or market risks, defining parameters for maturity/duration ranges and establishing a targeted risk profile for the portfolio based on investment objectives and constraints, risk tolerances, liquidity requirements and the current risk/reward characteristics of the market.
- Policy 12.1.0 Multi-Year Capital Planning: The District will prepare and adopt comprehensive multi-year capital plans to ensure effective management of capital assets. It is the District's opinion that a prudent multi-year capital plan identifies and prioritizes expected needs based on a community's strategic plan, establishes project scope and cost, details estimated amounts of funding from various sources, and projects future operating and maintenance costs. The capital plan should cover a period of at least five years, preferably ten or more. This is accomplished by identifying needs, determining costs, prioritizing capital requests, and developing financing strategies. Currently, the District has taken the multi-year capital planning to twenty years.
- Policy 13.1.0 Capital Project Budgeting: This policy insures that the District prepares and adopts a formal capital budget as part of their annual budget process. The capital budget is directly linked to, and flows from the Multi-Year Capital Improvement Plan. The capital budget is adopted by formal action of the Board of Trustees, either as a component of the operating budget or as a separate capital budget. It will comply with all state and local legal requirements by preparing and adopting a capital budget and reporting on the capital budget.
- Policy 14.1.0 Debt Management: This policy establishes a comprehensive written debt management practice that it is reviewed annually in conjunction with the budget process and revised as necessary. It establishes debt limits, debt structuring practices, issuance practices, and the management of debt.

- Policy 15.1.0 Audit Committee: The Board of Trustees maintains an audit committee. This policy was recently amended to re-structure the committee to include five members – two Trustees and three At-Large appointees. As a general rule, no one having managerial responsibilities that fall within the scope of the audit should serve as a member. The Policy establishes that the independent auditor reports directly to the audit committee, the scope of the audit committee’s authority and responsibilities, and the structure of the audit committee.

- Policy 16.1.1 Recreation Roll: This policy supports the establishment and eligibility to pay the Recreation Facility Fee and, where applicable, the Beach Facility Fee. It sets the prescribed Recreation Facility Fee and the Beach Facility Fee to all qualifying real properties within the boundaries of the District and in one of the following categories: 1) all dwelling units on developed residential parcels; 2) all commercial parcels; and 3) all undeveloped residential parcels which are not designated as unbuildable.

- Policy 17.1.0 Personnel Policies: The Personnel Policies have been adopted by the Board of Trustees to carry out Incline Village General Improvement District’s level one policy statement to adopt uniform personnel policies that will enable each employee to make his/her fullest contribution to the programs and services of the District.

- Policy 18.1.0 Central Service Cost Allocation Plan: Establishes the basis for allocating and billing costs of services provided by the District’s General Fund to the Enterprise and Special Revenue Funds. This Policy provides for the costs allowed, allocation method and billings rates.

- Policy 19.1.0 Appropriate Level of Working Capital: The District will maintain a formal practice on the level of working capital that should be maintained in the Utility (Enterprise) Funds. Working capital is defined as current assets minus current liabilities; the District will consider certain characteristics of working capital that affect its use as a measure. Specifically, the “current assets” portion of working capital includes assets or resources that are reasonably expected to be realized in cash (e.g., accounts receivable) or consumed (e.g., inventories and prepaid expenses) within a year.

The following Practice statements support the high level Policies set by the Board of Trustees.

- Practice 7.2.0 Appropriate Level of Fund Balance: (Relevant Policies 1.1.0 Strategic Planning, 7.1.0 Appropriate Level of Fund Balance, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting, 14.1.0 Debt Management): This practice sets the parameter to maintain Fund Balance in each governmental fund type in a manner which provides for contractual and bond and customer service obligations while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations. The General Fund must meet the minimum balance requirements under Nevada Administrative Code Section 354 (4% of operating expenses). The Special Revenue Funds utilize 25% of the current adopted budget operating expenditures (not including capital expenditure or debt service).
- Practice 9.2.0 Capitalization of Fixed Assets: (Relevant Policies: 8.1.0 Establishing the Estimated Useful Lives of Capital Assets and 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets). This practice sets the capitalization thresholds and useful lives for asset classes. It also outlines the physical control to be exercised over District assets.

<u>Asset Class</u>	<u>Minimum cost</u>
Equipment	\$ 5,000.00
Structures and Land Improvements	\$10,000.00

In addition to cost, all of the following criteria shall also be used;

- 1) The normal useful life of the item is three or more years,
- 2) The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class,
- 3) The item will not be substantially reduced in value by immediate use,
- 4) In case of repair or refurbishment, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature, and
- 5) The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).

- Practice 11.2.0 Investment Management: (Relevant Policies: 10.1.0 Use of Local Government Investment Pools and 11.1.0 Investment Management): This practice outlines the District's ability to invest public funds in a manner which provides the highest investment return consistent with the need for safety and liquidity while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations governing the investment of public funds. The primary investment objective is to obtain the maximum investment return in light of the following constraints: safety, risk, liquidity, cash flow requirements and operating within the guidelines of statutes and regulations.
- Practice 13.2.0 Capital Expenditure: (Relevant Policies: 1.1.0 Strategic Planning, 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets, 12.1.0 Multi-Year Capital Planning and 13.1.0 Capital Project Budgeting.) This practice outlines the authority and decision making responsibilities, financing resources and project life cycle for capital spending. It outlines clear levels of Trustees, General Manager, and operations staff duties as to planning, feasibility, scheduling, funding, design/specification, and constructing/acquisitions.
- Practice 14.2.0 Debt Management: (Relevant Policies: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits.) This practice ensures that debt principal and interest payments are made on a timely and cost effective basis.
- Practice 14.2.1 Debt Issuance Limitations: (Relevant Policies: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits.) This practice is to ensure that debt, through the issuance of bonded indebtedness, is limited to appropriate levels and the District will manage outstanding bonds through a measure of affordability as stated in the practice (such as, debt issued for non-utility purposes must remain within a Debt Coverage Ratio of at least 1.5 times). Debt issued for utility purposes must remain within a Debt Coverage Ratio of 1.75 times. Issuing a bond for any non-“utility” project or group of projects only when that is more than \$2,500,000, and can be repaid within 10 years of issuance and issuing a bond for any “utility” project or group of projects only when that is more than \$2,500,000 and can be repaid within 20 years of the completion of the project acquisition or construction.
- Practice 18.2.0 Central Service Cost Allocation Plan: Relevant Policy 18.1.0 Central Service Cost Allocation Plan, outlines the specific costs allowed for allocation (the District has selected to use only Accounting and Human Resources even though more are eligible), establishes the method for allocation including the basis as budgeted data, and identifies the manner of monthly billing for services and establishes a limit not to exceed budgeted

amounts.

- Practice 19.2.0 Appropriate Level of Working Capital: Relevant Policies: 1.1.0 Strategic Planning, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting, 14.1.0 Debt Management, 17.1.0 Appropriate Level of Working Capital: This practice is to maintain Working Capital in each Enterprise Fund in a manner which provides for contractual, bond and customer service obligations, while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations.

Policy Resolutions express the opinion, intention, or recognition by the Board of Trustees regarding District matters. The policy resolutions relating to financial matters are to be rescinded and converted into the current format of the Policies and Practice Statements that represent best business practice. Some policy resolutions have been repealed and replaced with Policy and Practice statements. The following Policy Resolutions impacting financial results are still in effect:

- Policy Resolution 105 aka **Resolution 1480**, Personnel Management: The Incline Village General Improvement District (IVGID) is committed to maintaining a dedicated and motivated work force, while developing its Staff's technical and professional standards to meeting changing demands for services with the Village. This policy statement establishes a framework which the Board of Trustees and the General Manager will use in addressing personnel matters within IVGID. The District operates under a Board-Manager form of government which places the Board of Trustees in the role of establishing overall IVGID policy direction. IVGID Staff is appointed to administer and execute day-to-day operations. The Manager is responsible for supervising these operations and providing general administrative direction. With regarding to IVGID personnel, it is the Board's responsibility to establish overall guidelines governing IVGID's approach to personnel matters. The Manager's role is to put these guidelines into the day-to-day practice of hiring, firing, motivating, promoting, demoting, compensating, and training individual employees.
- Policy Resolution 110 aka **Resolution 1493**, Policy Statement on Community Relations Expenditures. The purpose of this policy resolution is to ensure proper and frugal expenditure of public dollars for requests for financial participating in community events. The cash expenditure for any one event over \$1,000 must be approved by the Board of Trustees, and must be related to a purpose authorized by Nevada Revised Statutes 318, sponsored by a local non-profit group, a one-time event, and the District's participation must be unique and not merely a contributor to a community fund-raising drive.
- Policy Resolution 132 aka **Resolution 1701**, Fundraising/Donation Activities at IVGID (District) Facilities: The purpose of this policy resolution is to establish a process and procedures by which the District donates the use of District facilities. This policy allows an organization to request the donation of a District facility. They must be a qualified, non-profit, volunteer organization or activity based in Incline Village/Crystal Bay, North Tahoe Region, government agency, or a local school that administers and conducts the activity themselves. The request will be considered on a first-come, first-served basis and use of District facilities will be evaluated on a venue by venue basis balancing capacity and the resident's needs as the key criteria. The activity must not be for commercial or personal gain with the exception that business

collaboration results in advertisements and its benefit to business. The activity must be overseen by the sponsoring organization and a lead individual identified to handle details up to and through the day of the event. This person must be someone who is in attendance at all times the day of the event. IVGID will have no responsibility for the administration of the event or for the funds collected by the activity.

- Policy Resolution 137 aka **Resolution 1801**, A policy for the provision of records to the public and an appointed of a District Public Records Officer. This policy resolution aligns the District public request with the Nevada Revised Statue 239, Nevada Public Records Law and Nevada Revised Statue 241, Nevada Open Meeting Law.

Policies and Procedures Manual for

Accounting & Financial Control



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Section I

Internal Controls

1. EFFECTIVE INTERNAL CONTROLS

Policy Incline Village General Improvement District (IVGID) should maintain an effective system of internal control in order to monitor compliance with policies and procedures established by management. IVGID operates under provisions of the Nevada Revised Statutes, Chapter 318. The District has been granted authority to provide water, sewer and refuse collection services and recreational facilities and programs for the benefit of individuals owning property or residing within its geographical boundaries.

Internal controls are divided into two areas: accounting controls and administrative controls. Administrative controls deal with the operations of the business, whereas the accounting controls deal with accounting for such operations. This manual focuses on internal accounting controls (although there may be some overlap between the two). Accounting controls are designed to achieve the five basic objectives:

Validation

Validation is the examination of documentation, by someone with an understanding of the account system, for evidence that a recorded transaction actually took place and that it occurred in accordance with the prescribed procedures.

Accuracy

The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, additions, and account classifications.

The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate account, and in the right time period following generally accepted accounting principles (GAAP). Control tasks, which ensure that transactions are recorded and reported in the proper accounting period, are essential to accurate financial reporting.

Completeness

Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only.

Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports. To ensure proper summarization of recorded transactions as well as a final check of completeness, subsidiary ledgers and journals with control accounts need to be maintained. This is because individual transactions are the source of the ultimate product – financial reports.

Completeness can be achieved by using two techniques. One is to sequentially number all transactions via documents as soon as the transactions occur and then apply the control task of accounting for all the numbered documents completed in the processing. The use of “control totals” also provides information by which control is exercised. Totaling

the critical numbers before and after processing does this. When the two totals agree, one assumes that the processing is complete.

Maintenance

The objective of the maintenance controls is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the operations of the business. The control system should provide systematic responses to errors when they occur, to changed conditions, and to new types of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned.

Physical Security

It is important that the assets are adequately protected. Physical security of assets requires that access to assets be limited to authorized personnel. One means to limit access to both assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel from obtaining direct access to assets or indirect access through accounting records, which could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and fireproof vaults prevent access to petty cash vouchers. Transaction recording equipment limits access to assets by limiting the number of employees involved in recording and posting transactions, thereby minimizing the possibility of misrepresentation.

Procedures Determination of Validity

- 1.1 An informed individual should review transactions and a determination made as to their validity – which appropriate approvals have been obtained and/or comparisons have been made to the underlying documentation.

Control of Documents

- 1.2 All transactions should be entered on a control document.
 - (a) If the document is internally or externally generated it should be prenumbered and physical control should be maintained over unissued documents.

Check for Accuracy

- 1.3 Documents supporting transactions should be checked for mathematical accuracy. The extent of checking can either be 100% or spot checking of certain amounts.

Record in Appropriate Journals

- 1.4 As transactions are completed (and/or matched with other supporting documentation), they should be entered into the appropriate journals or registers with a notation or cross-reference indicating the completion of the transaction.

Investigation of Unprocessed Transactions

- 1.5 Unprocessed transactions should be investigated periodically by a person other than the record keeper and corrective action taken.

Performance of Monthly Reconciliations

- 1.6 Reconciliations between subsidiary records and control accounts should be performed monthly to ensure that postings are correct and adjustments have been properly processed.

Timely Investigation of Differences

- 1.7 All differences should be investigated on a timely basis.

Safeguarding of All Accounting Records

- 1.8 All assets and the accounting records should be properly safeguarded to prevent theft.



Section II

Controls in a Computer Environment

Computer Overview

The Information Technology Division directs and oversees the District's Computer network and all computer hardware, software, telecommunication, telephone and troubleshooting.

1. APPLICATION CONTROLS

Policy Application controls should be applied to ensure the completeness, accuracy, and validity of data.

Through a combination of both manual and programmed procedures, each application should include a series of control steps to be followed from the onset of a task through its final disposition.

Procedures **Completeness of Input**

1.1 Completeness of input is concerned with whether or not all transactions are recorded. All transactions should be recorded and input into the system once and only once.

Accuracy of Input

1.2 Accuracy of input controls focuses on the data associated with each transaction. All transactions should be recorded and input accurately into the system.

Authorization of Transactions

1.3 Controls over authorization of transactions are designed to ensure that only authorized or valid transactions are processed. All transactions should be subject to at least one the following techniques in order to determine their validity:

- (a) Authorization by a responsible person should be required for all transaction data. This process may take place on-line.
- (b) Security measures that restrict access to various administrative or accounting functions, terminals, programs and data should be employed.
- (c) Computer matching using masterfiles with preapproved standing/transaction data should be applied.

Handling of Rejected Transactions

1.4 All transactions rejected during editing should be identified, investigated, and corrected on a timely basis. Transactions should then be reintroduced to the system and subject to the same editing and control procedures as original transactions. Procedures should be established to ensure that all rejected transactions are ultimately corrected and reprocessed. Rejected items will not be recorded in the system.

Completeness and Accuracy of Updating

1.5 Update of data controls is needed to ensure that masterfiles are

completely and accurately updated. Controls should be established to ensure that all transactions are updated accurately to relevant files once and only once.

2. PROGRAM MAINTENANCE

Policy Maintenance controls should ensure that changes to programmed procedures are designed appropriately and implemented effectively.

Controls over maintenance focus only on the process that should be followed for program modifications. These controls should include the handling of the request, programming or updating, testing, the approval to move the program into the production environment, and the actual move to production.

Procedures Internally Maintained Applications

2.1 Internally maintained applications are programs that are enhanced, or supported, in house. Regardless of who makes the modification, there should be procedures that are followed consistently throughout IVGID.

IVGID can make use of contract programmers to enhance or maintain its system. These outside programmers should still follow the same development and testing procedures as in-house programmers. Also, all appropriate documentation should be properly updated before the contract with the programmers expires.

Completeness of changes should be ensured via a manual or computerized system to track change requests from submission to implementation. A service request form should be required for all maintenance whereby management can establish that all requests have been considered and, if so, prioritized and implemented on a timely basis.

The user and data processing personnel should be involved in evaluating the reasonableness of the modification request and the acceptance of the modification. Both parties should meet to discuss costs and benefits and identify alternatives. Once validity of the request has been established, the user and relevant data processing personnel should evidence approval.

A procedure should be established whereby management considers all major requests and decided actions to be taken, including setting priorities for outstanding requests.

Modifications should be properly tested and approved before being placed in production. The extent of the testing depends on the significance of the change.

Controls should be implemented to prevent production files from being used in testing. Testing procedures should be designed to prevent unauthorized coding from being inserted into the program. The user should make an independent review and approval of test results.

Procedures should be established to ensure that all-relevant system and/or program documentation is properly updated.

Vendor Maintained Packages

2.2 Controls over maintenance of package systems by their respective vendors should ensure the validity and proper implementation of modifications. Most of the procedures described in 2.1 should still apply.

Whether modifications are introduced by the vendor or user, approval by the user and appropriate data processing personnel as to the appropriateness of the modifications with regard to the user's requirements should be made.

Proper testing procedures should be followed regardless of who modifies the package.

The documentation described in 2.1 should be appropriately updated either by the vendor or user.

Cataloging

2.3 Cataloging is a method of moving amended programs into the production environment. The following procedures should be in place to ensure that only tested and approved programs are transferred from the test to the production environment.

Different versions of each program should be distinguishable so as to ensure that the most current versions of the programs are the ones subject to modification.

Controls should be established to ensure that unauthorized changes cannot be made to programs between the time they are tested and approved and the time they are transferred to production status. The use of an intermediate secured library should be considered for this purpose.

Only programs that have been properly approved and tested should be transferred to production status. A cataloging authorization form should be used to ensure and document that proper approval and testing has occurred. Care must be exercised to ensure that the versions of the programs involved in the transfer are the same versions that were in fact tested and approved.

All relevant program libraries should be properly updated with the appropriate versions.

3. COMPUTER OPERATIONS

Policy Computer processing should be performed on a consistent basis.

Computer operations controls ensure that authorized programmed procedures are consistently applied, that correct data files are used, and that processing can be properly resumed in the event of system failures.

Procedures Scheduling

3.1 The primary control considerations in job scheduling are whether jobs are run at the appropriate points in time and in the correct sequence. When on-line application systems are in operation, scheduling will be relevant only to regular batch jobs, end-of-day or period routines, and back-up and housekeeping routines.

Daily operations schedules for all jobs and programs to be run should be prepared and approved by a responsible individual.

Controls should be established to ensure that all jobs and programs are processed in accordance with the schedules. Any departures from the schedules should be documented and approved by a responsible individual.

Job Set-Up and Execution

3.2 Written procedures and instructions should be established regarding the set-up and execution of each application job or program. These instructions should be developed and approved by responsible representatives from the computer operations division.

Controls should be established to prevent or detect unauthorized changes to approved job set-up instructions, including processing parameters. Any variations to job set-up instructions should be documented and approved by a responsible individual.

Operator Actions

3.3 Control procedures should cover the actions of computer operators, such as supervision and review of their work.

Controls should be established to ensure the proper identification and reporting of all abnormal conditions: system failures, system restart or recovery, emergency situations, etc.

Supervision should include regular reviews of operator actions. Particular attention should be given to situations of abnormal conditions (as mentioned above) to ensure that processing results were not adversely affected.

Back-Up and Recovery

- 3.4 Controls over recovery from processing failures require that data be regularly copied as back-up, that the processing status at the time of failure can be established, and that procedures ensure that proper recovery takes place. The computer department should handle recovery with involvement by various other departments as deemed necessary.

Controls should be established to ensure that program libraries are regularly backed up, together with a record of changes made between back-ups.

Controls should be established to ensure that data files and programs are recovered properly after a processing failure and that errors are not introduced during the recovery process. Should modifications to data files or programs be necessary during an emergency situation, procedures should ensure that all changes made are accurate and authorized.

To ensure that back-up copies of data files and programs are available for recovery during an emergency situation, back-up media should be stored in an off-site facility. The off-site location should be secure and environmentally protected as well as sufficiently remote to realistically serve its purpose.

A contingency plan should be developed that ensures the continuity of applications processing in the event of an unexpected interruption of computer service, taking into account and documenting possible risk scenarios. Once a plan has been developed, approved, and documented, it should be periodically tested in order to ensure that all its pieces work properly and remain consistent.

4. SECURITY

Policy Access to information stored on a computer should be restricted.

Management should identify and classify computerized resources and protect them with a well-organized combination of software and manual procedures. Security software provides the ability to restrict access to the system at various levels: system, application, application function, data file, and data element.

Procedures Overall System Access Controls

- 4.1 Controls should be established to prevent unauthorized access to the system and to restrict each user's access based on specific job-related functions. Based on a user's ID and password, the operating system will force the user into a restricted workshell/menu out of which the user cannot venture. All

unauthorized attempts to bypass access controls should be reported and promptly investigated.

Network access is obtained by completion of the Network Access Authorization Form. This form is to be completed by managers or supervisors for each employee and sent to the IT division. Upon receipt individual access will be established.

Internet Access is a privilege and should not be abused. IVGID does have a policy regarding visiting web sites that are not related to your job or that are inappropriate (see section VI, electronic communications for further details. Internet access is given through the Network Authorization form.

Security Policy

- 4.2 Management should develop and communicate a security policy stating their position on information security. Such a policy should consist of a set of written guidelines promoting rules and criteria about the treatment of computerized resources.
- 4.3 Responsible individuals independent of the programming function should perform administration of access security controls.
 - (a) Only authorized individuals should be assigned system IDs and passwords that permit access to the system. An access request form should be used to ensure and document proper authorization. Each ID should be unique in order to track user activities and provide for accountability.
 - (b) Passwords should be used to ensure the correct identification of authorized users by the system. Passwords should be kept secret, not easily guessed, and changed on a regular basis.
 - (c) All access privileges should be promptly canceled or amended for terminated or transferred employees.
 - (d) Adequate security and controls should exist over the ability to perform administration of all of the functions mentioned above.
 - (e) Periodic security reviews should be conducted to ensure that access privileges granted remain appropriate.

Dial-Up Access

- 4.4 Controls should be established to prevent unauthorized access via dial-up mechanisms.

Physical Access

- 4.5 Physical access to all computer facilities and other areas identified as containing sensitive information should be limited at all times, including evenings, weekends, and holidays. Computer facilities include terminals, modems, and communications lines, as well as the computer itself. Depending on the circumstances, physical access should be treated with the same formalities as described in 4.1 for system access.

Custody of Data and Programs Stored Off-Line

- 4.6 Magnetic tapes, diskettes, and removable disks containing programs or data files, including back-up copies, should be protected and uniquely identified. Control procedures should be established over the existence and movements of all off-line media. Off-line media should be stored in secure environments and should be accessible only by individuals authorized by management.

Utilities and High-Level Programming Languages

- 4.7 The use of high-level programming languages and utility programs that can be used to modify data files should be restricted to appropriate personnel authorized by management. In addition, the use of such programs should be closely monitored by a responsible official for appropriateness.

Bypassing Normal Access Controls

- 4.8 When it becomes necessary to bypass normal access security controls, such as during emergency situations, a responsible official should authorize the action. Such authorization may be informal at the onset of the conditions that caused the temporary change in policy, but formal written authorization should nevertheless be provided after the fact. It is also important to ensure that normal access security controls are reinstated as soon as possible and that any changes to data files have been properly controlled and approved.

Output

- 4.9 Data security extends beyond the physical domain of computer hardware. Printed reports containing sensitive information should be produced only according to an approved schedule or when requested with the authorization of a responsible official. Sensitive output that is not printed directly but is held on-line or transmitted to a remote computer should be controlled to prevent or detect changes to the output prior to printing and to ensure that the output reaches only its intended destination.



Section III

General Ledger & Journal Entries

1. MAINTAINING AN EFFECTIVE ACCOUNTING SYSTEM

Policy Incline Village General Improvement District (IVGID) has established and maintains an effective accounting system to capture data regarding the economic activity of the governmental and enterprise funds.

Management requires accurate and timely financial reports in order to judge the performance of the district operations and plan for future activities. Preliminary operating reports are published on the 5th business day following the end of a month, and final operating reports are published on the 10th business day following the end of a month.

Monthly financial reports are published approximately within ten business days of the final operating reports.

A Comprehensive Annual Financial Report (CAFR) is published at the conclusion of our yearly audit. An outside auditing firm approved by our Board of Trustees and management completes our audit.

Procedures General Ledger Set-Up and Posting

1.1 IVGID has set up a general ledger system to quickly and accurately accumulate all financial transactions. The framework for this system is called the chart of accounts. The chart of accounts consists of the account titles and account numbers assigned to the titles. The account titles are developed from an understanding of the economic activity and the information management deems necessary in the financial reports. Account titles must appropriately describe the assets, liabilities, equity, revenues, and expenses of IVGID.

Arrangement of Account Titles

1.2 Account titles within the chart of accounts should generally be arranged in the following order:

- Assets
- Liabilities
- Equity
- Revenue
- Expenses

Within these categories, current accounts are grouped first, followed by long-term accounts. Referring to our chart of accounts, note that current assets such as cash, accounts receivable, and inventory are listed before long-term assets such as land and buildings.

Accounts are numbered in the following manner:

1000-2999	Assets
3000-3900	Liabilities

4000-4999	Equity
5000-5999	Revenue
6000-6999	Expenses
7000-8900	Nonoperating Revenue/Expense

Establishment of Contra Accounts

- 1.3 IVGID's account systems record transactions at their historical cost. However, there are instances where generally accepted accounting principles require that an account be presented in the financial reports at a lesser amount. This is accomplished through the use of contra accounts, allowing the accounting system to maintain records of the accounts at historical cost. However, for financial reporting purposes, accounts receivable must be reduced for accounts that will not be collected. Therefore, the allowance for doubtful accounts is established to reduce accounts receivable to its collectible amount.

Financial Information Adequacy

- 1.4 The accounting systems provide adequate financial information on a divisional level.

Although business enterprises are extremely concerned with their overall operating results, they often require more detailed information to know how various segments of the business are performing. Businesses with more than one profit center or division must know detailed information about each area to determine if it is profitable or not.

Additional codes added to the accounts in the chart of accounts give all of the detail needed for each profit center or division. The computerized accounting system is able to produce financial reports for each profit center or division, as well as combined reports to show the overall financial position and results of operations of the organization.

The chart of accounts is arranged so that each profit center or division is consistent with each other. The accounts are arranged consistently so that the operating result of each profit center or division can be quickly merged with the operating results of other profit centers or divisions to produce the overall results for the entire organization.

2. GENERAL LEDGER ACTIVITY

Policy All valid general ledger entries, and only those entries, should be accurately recorded in the general ledger.

The general ledger consists of control accounts for accounts in the chart of accounts. These accounts are listed in the general ledger in numerical order with the account title. The general ledger is maintained on JDEdwards software.

Procedures Posting Monthly Activity to the General Ledger

2.1 At least monthly, all activity should be posted to the general ledger. The postings to the general ledger accounts may come from any and all of the following sources:

- General journal – adjusting journal entries
- Sales journal – sales and account receivable activities
- Purchases – expense and accounts payable entries
- Payroll journal – payroll summary
- Cash receipts journal
- Cash disbursements journal

Our computerized accounting software package, JDEdwards, is fully interactive and posts journal activity to the general ledger on command by a computer operator. Daily sales and cash receipt journal entries are automatically uploaded daily from our operating locations.

Documentation of Entries Not Originating from Journals

2.2 All entries that do not originate from journal entries should have supporting documentation.

Certain entries (recurring adjusting journal entries) are made every period. These entries include, but are not limited to the following:

- Depreciation of fixed assets
- Amortization of intangible assets
- Amortization of prepaid expenses
- Amortization of deferred revenue
- Accrual of interest expense on notes that are not paid within each accounting period.

Nonrecurring adjusting journal entries must be prepared to properly reflect account balances. Nonrecurring adjusting journal entries include, but are not limited to the following:

- Correction of posting errors
- Accrual of income and expense items
- Recording of noncash transactions

Adequate Documentation for All Journal Entries

- 2.3 All journal entries should be prepared only on the basis of adequate supporting documentation. Journal entries should include pertinent information such as original date, exact amount, vendor name, and reason for adjustments.

Authorization of Entries

- 2.4 All journal entries into the general ledger should be authorized by the Controller.

Review of All Authorized Vouchers

- 2.5 A review should be performed of the sequential voucher number to ensure that all entries have been made and posted accurately and timely.

Filing and archiving journal entries

- 2.6 All journal entries are to be kept in a central area in the finance and accounting division with access to accounting personnel. They are to be filed numerically in binders by general ledger month. These binders will be made available to our outside auditors during the yearly audit.

After the audit is completed, all journal entries are to be scanned and archived in a secure place.

3. ADEQUATE GENERAL LEDGER MAINTENANCE

Policy The general ledger should be adequately maintained.

As stated throughout this section, the general ledger accounts are the source of all the financial reports used by management. It is therefore critical that the accounting records, after the entry of transactions in them, are properly controlled so that they continue to reflect accurately the operations of the business.

A trial balance should be prepared periodically from the general ledger. The trail balance should list all general ledger accounts and their balances as of a particular date. The trial balance will verify the general ledger account balances and serves as a workpaper to make adjustments to any accounts to correct their balances.

Procedures Performance of Reconciliations

3.1 Reconciliations should be performed at least twice per year between control accounts maintained in the general ledger and the subsidiary ledgers.

Review of Trail Balance and Reconciliations

3.2 The Controller should review the trail balance and the reconciliations. The reasons for differences noted should be investigated and any adjustments properly processed in the form of journal entries.

Close of Income and Expense Items

3.4 At the end of the fiscal year, all items of income and expense should be closed so that they will not carry forward to the next fiscal year. After the closing entry is posted to the general ledger, the income and expense accounts should be zero, and the general ledger is ready to begin accepting transactions for the next fiscal year.



Section IV

Cash

1. CASH MANAGEMENT

Policy Incline Village General Improvement District (IVGID) should maintain an effective system of cash management that anticipates cash needs and plans adequately to satisfy them and to be in compliance with Nevada Revised Statutes.

Cash is required to pay for all assets and services purchases by IVGID and to meet future obligations as they come due. The disbursements of cash, therefore, are a regular occurrence, and a sufficient level of cash should be kept available to meet these requirements. However, cash is not a productive asset, as it earns no return. Therefore, only cash necessary to meet anticipated day-to-day expenditures plus a reasonable cushion for emergencies should be kept available. Any excess cash should be invested in liquid income-producing instruments.

The District's Controller invests operating and capital reserves following a formal investment policy adopted by the Board of Trustees.

Procedures Maximizing Return on Idle Funds

1.1 Cash not required for operations should be invested. Authorized investments include obligations of the U.S. Government or U.S. Treasury with maturates of ten years or less, the local government investment pool, certificates of deposit issued by commercial banks or insured savings and loans, short-term negotiable notes or bonds issued by local governments, and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

Expediting of Cash Receipts

1.2 The time lag between service performance and the deposit of funds to IVGID's bank account should be kept to a minimum.

- (a) Invoices/billings should be issued timely and consistently, and as close as possible to the time of performance.
- (b) All customer remittances should be sent to a single address at each of our facilities - utility, golf, ski, recreation, and general administration areas.

Collection Practices

1.3 A review of accounts receivable listings for past due balances should be performed on a continuous basis by qualified personnel at each of our facilities. Delinquent accounts should be contacted immediately.

Deferring Disbursements

1.4 Cash disbursements should be released at the latest acceptable time, without affecting relationships with vendors. However, early payment discounts should be taken. Checks will be mailed at the

end of each week on Fridays. Exceptions will be made if a holiday falls on a Friday. Vendor checks over and above \$2500 must be approved by our Board of Trustees during their next scheduled meeting. Upon approval, those checks will be immediately mailed.

Cash Budgets

- 1.5 A cash budget should be prepared in order to effectively manage cash balances. The budget should be prepared on an annual basis, broken down by month. Monthly reports will let divisions monitor each component by comparing actual performance with budget, both for the current month and cumulatively.

2. CASH RECEIPTS

Policy Control should be established over all cash, checks, and credit card payments received, and they should be deposited promptly within three days in IVGID's bank account.

Cash receipts should be protected from misappropriation. Physical access to cash receipts and cash receipt records should be limited to authorized personnel. Additionally, cash receipts should be recorded in the appropriate accounting period. Cash over/short should be recorded and should not be forced to zero. Adjustments to cash over/short and receipts are to be made with the proper audit trail.

Procedures Opening the Mail

- 2.1 The mail is to be opened and a listing of cash and/or checks received should be prepared under the supervision of a responsible staff member.
- (a) Individuals preparing the list of cash receipts should be persons other than those who deal with accounts receivable, accounts payable, or the general ledger.
 - (b) The listing of cash receipts should include the name, amount, date, and person and division to whom the cash receipt was sent.

Endorsement of Checks

- 2.2 In situations where cash receipts are received directly by IVGID, checks should be restrictively endorsed immediately.

Bank Deposits

- 2.3 All cash sales and check remittances should be deposited intact daily. Completing and balancing a daily sales report and making the deposit does not have to be completed simultaneously but should be completed within three business days.

Reconciliation of cash/checks received to bank deposits

- 2.4 Persons other than those who handle cash receipts should compare records of cash receipts and summaries to deposit slips to bank statements on a monthly basis.

Summarize Cash Receipts

- 2.5 Records of cash receipts should be summarized and totals established for posting to the general ledger. Daily sales reports should be completed and sent to accounting for posting or uploaded into our financial system within three working days.
- 2.6 Return Items (return checks) should be redeposited immediately. Verification of good funds can be verified with the customer in a discrete manner and handled only between the customer and our appropriate personnel. Since our bank does not charge use a return item fee, we do not charge our customers a return item fee.

3. DISBURSEMENTS FROM BANK ACCOUNTS

Policy Disbursements from bank accounts should be made only for valid transactions.

The payment for goods and services, whether accomplished by check or bank transfer, should be organized to ensure that no unauthorized payments are made, that complete and accurate records are made of each payment, and that payments are recorded in the appropriate period. Additionally, physical access to cash and unissued checks must be restricted to authorized personnel.

Procedures Preparing Checks and Bank Transfers

Checks and bank transfers should be prepared based on the determination that the transaction is valid and is in accordance with the following district procedures:

- 3.1 A determination that the transaction is valid should be accomplished by reviewing the following supporting documentation as applicable:
 - (a) Invoices – together with receiving documents and purchase orders.
 - (b) Payroll records.
 - (c) Petty cash vouchers.
 - (d) Remittance advices.
 - (e) Check requisitions.

A responsible person indicating proper authorization and coding should sign all supporting documentation. All invoices, \$500 or more, should be completed through the purchase order process.

- 3.2 Persons other than those who initiate or approve any documents should prepare checks and bank transfers.

- 3.3 Checks and bank transfers should be designed or completed in such a way to make subsequent unauthorized alternation difficult through the use of protective paper, check imprint, and so on.
- 3.4 The following procedures are prohibited:
 - (a) Checks payable to "bearer" or "cash."
 - (b) Checks signed in blank.
 - (c) Altered checks and bank transfers.

Check Signing

- 3.5 Officials other than those who approved the transactions for payment should sign checks. Two signatures are required on district checks. IVGID's official signatories are the General Manager and one of the district Trustees.
- 3.6 Limited control over the authorization of the use of the laser printer must be monitored to protect check stock and usage.
- 3.7 An original and one copy of accounts payable checks are to be printed. The copy should have "nonnegotiable" printed on them. The original of the check is to be distributed to the vendor and the copy attached to the voucher package for filing in the accounts payable files.

Disbursement of Checks

- 3.8 After checks have been printed and properly matched with voucher package, all checks should be forwarded to the payees. Major checks (over \$2,500) are listed on a Major checklist and forwarded to the Board of Trustees. After the bi-monthly board meetings, at which major checks are approved, these checks should be immediately forwarded to the payees. Each weekly check run will have some checks that are picked up by other IVGID departments for distribution. These checks are to be listed on a separate sheet and signed for by a responsible person when picked up.

Maintenance of Check Control Log

- 3.9 A separate record of checks being processed should be maintained by using a control log. The control log should contain the date of the check, the range of the check numbers, the initials of the person in charge of writing the checks, and the verification initials of a supervisor.

A separate record of returned and/or voided checks should be maintained. This log should contain the name of the payee, the date the check was written, the date the check was voided and/or returned, the check number, and a void description.

The usage of checks should be accounted for by reconciling the quantity of checks issued to the cash disbursement records. Persons should perform this other than those who have authority to issue checks.

Supplies of unused checks should be properly safeguarded.

Summarize Cash Disbursements

3.10 All checks and bank transfers should be summarized and recorded in the General Ledger.

4. IMPREST AND SIMILAR FUNDS

Policy Reimbursement of imprest and similar funds (petty cash) should be made only for valid reasons.

Imprest accounts are limited to a nominal balance, and reimbursements are to be in the amount equal to the total of miscellaneous payments made. Reimbursements are to be paid through accounts payable and require approved and coded slips for backup.

Procedures Disbursements of Funds

- 4.1 Prior to the disbursement of any funds, a voucher should be prepared with supporting evidence such as receipts or other miscellaneous supporting details and approved where appropriate.
- 4.2 A summary of all disbursements should be maintained and an analysis should be performed in order to charge the proper general ledger accounts.
- 4.3 Periodically, the imprest account should be replenished so as to bring the balance up to the imprest amount. The amount replenished should equal the sum of all imprest account disbursements since the previous reimbursement and any differences should be reconciled.

5. BANK RECONCILIATIONS

Policy Adequate steps should be taken to confirm the accuracy of the bank balances shown in the general ledger.

Generally monthly, data on cash receipts and disbursements journals should be compared with the details reported on bank statements. Unmatched and mismatched data are used to reconcile the book and bank balances. The bank reconciliations are performed by computer using the computerized cash records and the bank's statements from its computer-readable media.

Procedures Preparing Bank Reconciliations

- 5.1 Bank balances, as shown by the bank statement, should be reconciled monthly with the general ledger balance. Data on cash receipts journals and cash disbursement journals should be listed for investigation. The person who prepares the

reconciliation should receive the bank statements directly from the bank and retain them until the reconciliations are completed.

Determination of Reconciling Items

- 5.2 Discrepancies between general ledger cash balances and closing balances reported on the bank statements result from transactions recorded in cash journals but not yet processed and recorded by banks (such as deposits in transit and outstanding checks) and items on bank statements not yet processed and recorded by IVGID (such as bank service fees). Most of those items do not require investigation.

Accounting personnel who do not have access to cash and are not involved in processing and recording cash transactions should investigate all significant differences. Items of investigation should include but are not limited to items such as: 1) unmatched data in cash receipts and disbursements journals that fail to clear the banks within a reasonable period of time, 2) unmatched items on bank statements unanticipated or judged erroneous by IVGID, and 3) mismatched items in cash receipts and disbursements journals and bank statement items.

- 5.3 Bank reconciliations and proposed adjustments to the general ledger cash balances and cash detail files should be reviewed and approved by the Controller.



Section V

Revenue Cycle

1. REVENUE RECOGNITION

Policy All sales should be recorded accurately and on a timely basis.

Sales are generally initiated through the rental or use of district facilities, the sales of pro shop inventory items, and the use of district-provided utilities. Facility or pro shop sales are rung up using registers that are tied to appropriate POS systems in each area within the district. Controls over the use of registers should be established and monitored at each location. Utilities are billed to customers on a monthly basis.

Procedures Sales

1.1 Prices of fees and pro shop sales should be determined prior to sale by management within each area according to budgeted fees and mark-up rates. Management, according to approved budgeted amounts, determines utility fees. Appropriate individuals at each area should approve pricing exceptions (changes). All sales are to be recorded in the appropriate POS system according to department controls and guidelines. All fees are presented and approved by the Board of Trustees during budget planning.

All sales should be summarized on a daily sales report with the exception of the utility billings and uploaded to the general ledger. Utility sales are summarized on a monthly basis and then uploaded to the general ledger.

Sales Journal Review

1.2 The daily or monthly sales journal should be reviewed periodically for accuracy and completeness. All errors or omissions should be investigated immediately and corrected.

Sales Journal Posting to the General Ledger

1.3 The posting of the sales journal summarization to the general ledger should be reviewed and completed within three business days by a responsible person at each location.

The Finance and Accounting Division should audit the posting of daily sales and compare cash deposits recorded to the general ledger to the actual deposits made to the bank. Any discrepancies should be investigated and resolved.

2. Accounts Receivable

Policy Accounts receivable records should be accurate, complete, and maintained in a manner to indicate the length of time the customers' debt has been outstanding.

Accounts receivables arise from sales on credit to customers generally from the use of district-provided utilities and facility use. The account is

relieved by the posting of receipts, approved credit memos for allowances, and write-offs of uncollectible accounts.

Procedures Posting of Sales

2.1 Posting of sales to the accounts receivable subsidiary ledger should be performed by individuals independent of cash functions.

Posting as an Independent Function

2.2 The general ledger control account should be posted by individuals independent of the accounts receivable and cash receipt functions.

Timely Identification of Errors

2.3 Monthly statements/bills should be mailed to customers to allow for timely identification of errors in addition to prompting collections.

Posting of Adjustments

2.4 Payments, partial payments, credits, and other authorized adjustments to accounts receivable should be posted against the corresponding statement in order to maintain the accurate aging of the accounts receivable subsidiary ledger.

Reconciliation of Accounts Receivable Subsidiary Ledger

2.5 The accounts receivable subsidiary ledger should be reconciled to the general control account monthly. All differences should be investigated and resolved. The reconciliation should be reviewed by the Controller.

Review of Credit Balances

2.6 A review of credit balances should be performed periodically by reviewing the accounts receivable subsidiary ledgers or the accounts receivable aging. If credit balances remain for more than a reasonable time, those amounts should be returned to our customers.

Review of Billing Records

2.7 A review of billing records, sales journals, cash receipts, and other relevant records should be reviewed to determine that all has been recorded in the appropriate accounting period.

3. Customer Returns and Allowances

Policy Returns and allowances should be controlled, documented, and recorded.

The return of goods by the customer results in adjusting receivables and/or inventory. Allowances are less frequent yet difficult to ascertain. They are often based upon evaluations or customers' complaints.

Procedures Written Authorization

- 3.1 Written authorization should be given to customers to permit the return of goods when appropriate.

Count and Examination of Returned Goods

- 3.2 Authorized returned goods should be counted and examined and recorded in a return log.

Recording Returned Goods

- 3.3 Returns should be recorded in the accounts as quickly as possible in order to maintain the correct balances of revenues and accounts receivable.

Authorization of and Conditions for Allowances

- 3.4 The conditions under which allowances may be given and the personnel authorized to do so should be documented.

Review of Returned Goods

- 3.5 Returned Goods credits should be reviewed periodically for accuracy and correct authorization. Any discrepancies should be investigated and resolved.

4. Other Revenues

Policy Other types of revenue should be recorded on a timely basis.

Revenues flow into IVGID from sources other than that of sale of products and services. Taxes and assessment payments are examples of the more common sources.

Procedures Deferred Income

- 4.1 Deferred income relates to revenue for which the service has not been performed or the goods have not been delivered.
 - a) Schedules should be prepared indicating the appropriate points in time at which the revenue is to be earned and recorded.
 - b) The schedules and corresponding journal entries should be reviewed and approved by the Controller.

Taxes and Assessments

- 4.2 Tax and assessment payments should be recorded in the general ledger in the appropriate accounting period. A schedule of income and receivables should be kept and periodically balanced to State and County records. Any discrepancies should be investigated and resolved.



Section VI

Production Cycle

1. SALES AND PRODUCT FORECASTS

Policy Management should establish policies concerning forecasting, appropriate production plans and rates, capacity, usage, and on-hand inventory levels.

The forecasting of future sales of products, the use of our facilities, and the usage of component materials is critical in planning and control. "Top down" forecasting starts with general business conditions. It is then translated, given specific industry and company attributes, into the sales the company anticipates. "Bottom-up" forecasting starts with the individual sales expectations, formulated by input from division managers, customers, and other forecasters. Both methods should be employed and compared to arrive at a reasonable budget for sales. Other factors to be considered include the optimal operating capacity and the hiring of extra employees or lay-off in seasonal operations.

Procedures Preparation of Sales Forecasts

1.1 A sales forecast for the year, broken down by month, should be prepared and approved by appropriate levels of management.

Review of Production Levels and Related Sales

1.2 Actual production levels and related sales should be reviewed frequently to allow for timely cost-effective adjustments to production scheduling. Appropriate levels of management should approve such adjustments.

Raw material levels (inventory items) should be assessed to ensure that sufficient quantities would be available to meet the sales production schedule.

2. COST-FLOW METHODS

Policy Determination of a cost-flow assumption and method of allocating production costs should be made by appropriate levels of management.

Various cost-flow assumptions may be used including specific identification: first in, first out (FIFO); last in, first out (LIFO); and variations thereof.

Procedures Determination of Appropriate Method

2.1 Appropriate management levels should make determination of the most appropriate cost method for each division.

Consistent Use of Method Selected

2.2 The methodology selected should be utilized consistently.

Allocation of Costs – Overhead Application Rate

2.3 Once management has established a policy of costs, an overhead

application rate should be determined and applied.

Variance Analysis

2.4 Variances should be analyzed by appropriate personnel to allow for corrective action. Analysis and corrections should be on a timely basis.

Review of Standard Costs and Overhead Rates

2.5 Standard costs and overhead rates should be reviewed periodically by appropriate personnel and revised as necessary.

3. INVENTORY CONTROL

Policy Procedures to provide physical security for all inventory should be established at each division.

Cost/benefit analyses should be utilized to ascertain the optimum level of security that should be provided (locked storage areas, site security guards, etc.). Value, likelihood of theft, and ease of removal/loss are factors to be considered in drawing a conclusion.

Procedures Custodial Control of Operations

3.1 A responsible custodian should have control of the operations.

Written Procedures for Inventory Custody

3.2 Specific written procedures over the custody of inventory items between initial receipt and recording into the inventory records should be established.

Authorization for Movement of Inventory

3.3 Movement of all inventory should be in writing. Interdepartmental requests should be made to the custodian of the inventory by authorized personnel, and proper account codes should be supplied for accurate tracking

Return of goods to inventory should be authorized, documented, and appropriately recorded.

Reconciliation of Regularly Scheduled Physical Counts

3.4 Physical counts of quantities of inventory should be scheduled on a regular basis. The counts should be reconciled to the inventory records and to the general ledger.

4. PERIODIC PHYSICAL INVENTORY

Policy A physical count of all inventories should be made periodically (at least twice annually --December and June).

Procedures Proper Control of Physical Inventory

- 4.1 The physical inventory should be properly supervised and controlled.
- 4.2 When all inventories are physically counted concurrently, a greater effort is required of each of the participating departments of accounting and warehousing/inventory control because a larger volume of counting is necessitated.
- 4.3 Operations should be suspended or significantly reduced.
- 4.4 Instructions to company personnel concerning the physical inventory should be written and include:
 - Location, date, and beginning time of inventory
 - Members of count team
 - Detailed directions on how to fill out inventory sheets in order to expedite the subsequent reconciliation process
 - Identification of damaged or obsolete inventory and scrap
 - Identification of inventory held for others
 - Control of the inventory sheets
 - Accumulation of appropriate cut-off information
- 4.5 Inventory should be maintained in an orderly arrangement to facilitate the count.
- 4.6 Inventory should be properly identified and described.
- 4.7 Counters should be aware of the possibility of obsolete and slow moving items, as well as inventory with a deteriorating value or of questionable quality (excessive dust, presence of rust, scrap, goods rejected by quality control). These items should be noted on the inventory sheets and brought to the attention of the count supervisor for follow-up.
- 4.8 All sheets used during the physical count should be accumulated and accounted for before the count team leaves the area.
- 4.9 The Accounting Department and/or district auditors should perform unscheduled test counts on occasion to maintain the accuracy and integrity of the inventory.

Proper Identification of Inventory Ownership

- 4.10 All inventories belonging to others should be clearly identified and physically segregated to avoid any erroneous inclusion in the inventory counts. This type of inventory should be noted but excluded from the inventory valuation.

Supplies Inventory

- 4.11 Depending on the size of the inventory, management may elect to expense the items as they are purchased or to capitalize them and charge to expense as they are used.

5. INVENTORY OBSOLESCENCE

Policy Management should establish a policy for evaluating inventory, material, and parts for obsolescence.

In addition, a comparison must be made of the quantity of product on hand with the demand for it.

Procedures Revalue Certain Inventory to Net Realizable Value

5.1 If inventory on hand exceeds demand or there has been no activity in the past year nor any forecasted requirements, the obsolete or excess portion of the inventory should be reduced to an amount not less than its net realizable value. The difference should be charged to the current period expenses.

Disposal of Obsolete or Excess Inventories

5.2 Consideration should be given to disposing of the obsolete or excess inventory or offering it at substantially reduced prices in order to obtain a write-off and to generate cash flow.



Section VII

Prepaid Expenses

1. MONITORING AND ACCOUNTING FOR PREPAID EXPENSES

Policy The district should establish a method to monitor and account for prepaid expenses.

Prepaid expenses arise whenever cash is disbursed and a portion of the associated benefit of the disbursement is for a future period. An example of prepaid expense is an insurance premium that is paid in a lump sum when the policy is issued or renewed and the policy covers multiple accounting periods. Consequently, an asset (prepaid expense) is recorded on the books for the total premium when paid and is charged (amortized) to expense over the coverage period.

Procedures Reviewing Incoming Invoices to Ensure Prepayment

1.1 The accounts payable clerk and the accountants in the finance and accounting department should review the coding of incoming invoices to ensure that all prepayments are identified.

Maintenance of Asset Accounts

1.2 Once identified, each expense should be maintained in an asset register to better monitor the various types of prepaid expenses. The register should list the general ledger account number and title as well as a description of each asset, including vendor, type of service or coverage, benefit period, amount paid, expense for the period, and any other relevant information.

Amortization Periods and Rates

1.3 Once an expense has been entered in the asset register, the amortization period should be determined. For example, if an insurance invoice, billed quarterly, is paid at the beginning of the quarter, one-third should be charged to expense each month. Some prepaid expenses may be amortized on a basis other than time. For example, brochures or golf amenities may be amortized as they are used.

Preparation of Standard Journal Entries

1.4 An accountant should prepare a standard journal entry to record the monthly expense to ensure proper matching. The entry should be reviewed and approved by the Controller.

2. CONTROLLING ASSET BALANCES

Policy Detailed records of prepaid expenses should be reconciled periodically with the control account.

Reconciliations should be performed to help ensure the accuracy of the detailed records and the control account.

Procedures Preparation of Reconciliations

- 2.1 On a periodic basis, a reconciliation should be performed between the asset register and the general ledger balance. A person in the accounting department should perform the reconciliation.

Investigation of All Discrepancies

- 2.2 All discrepancies should be investigated on a timely basis.

Supervisory Review of the Reconciliation

- 2.3 The reconciliation should be reviewed and approved by the Controller.



Section VIII

Investments

1. INVESTMENT OF IDLE FUNDS

Policy Funds not presently needed for company operations should be invested. Such investments should be properly authorized and accurately accounted for.

The district should invest available funds in order to maximize earnings and minimize risk during the period of availability of the funds. The overall investment policy, specifying the needed liquidity of investments, acceptable risk, expected returns, and in compliance with Nevada Revised Statutes should be established by management and approved by the Board of Trustees.

Procedures Investment Policy

1.1 The Board of Trustees establishes the investment policy for the district. Authorized investments include obligations of the U.S. Government or U.S. Treasury with maturities of ten years or less, the local government investment pool, and certificates of deposit. Management, specifically the Controller, is designated as the person to implement the Board's investment policy. The Controller is designated to:

- Approve transactions such as purchases and sales
- Access investment certificates
- review and approve investment accounting, bank and broker statement reconciliations, adjustments to the carrying value of investments, and other decisions regarding investments.

Authorization of Investment Vehicles

1.2 Annually, the Board of Trustees should authorize the use of specific depository and investment banks and brokerage firms. This authorization should be documented in the minutes of the applicable board meeting and communicated to the appropriate management personnel. Management should then communicate the authorization and a list of those personnel designated as authorized agents for the district to the appropriate banks and firms. As a part of the annual authorization process, management should evaluate the company's prior relationship with banks and brokerage firms to determine suitability for renewal. Such evaluation should consider service responsiveness, type of investments offered, quality of investment advice, service and transaction charges, and any other relevant criteria.

Authorization of Investments

1.3 All transactions regarding investments should be properly authorized by the Controller and recorded in an investment log. Such transactions include purchases, sales, and movement to and from safekeeping (vault, safe deposit box, or custodian).

Investment Purchases

1.4 Investment purchases should be made by check or bank transfer after compliance with the following:

- A determination that the purchase transaction is properly authorized in accordance with district policy by the board of trustees and the Controller
- A determination that the investment authorization is properly document.
- Preparation of a check requisition or bank transfer

Investment Sales

1.5 Investment sales should be transacted after compliance with the following procedures:

- A determination that the sale transaction is properly authorized by the Board of Trustees and the Controller
- A determination that the authorization is properly documented.

Investment Sales Gain or Loss

1.6 The expected gain or loss upon sale or other disposition of an investment should be calculated before a decision regarding the sale is finalized. The calculation should be update/finalized subsequent to the sale. The gain or loss calculation should be documented and should be filed in the investment file.

Investment Sales Proceeds

1.7 Proceeds from the sale of investments should be received either by check or bank transfer. A copy of the receipt or deposit slip should be included in the investment file.

Investment Results Reports

1.8 Monthly reports detailing the earnings and activity in all investment accounts should be prepared and distributed to appropriate management. The summary of all transactions should be recorded in the general ledger through the use of a journal entry and approved by the Controller.

Reconciliation of Investment Accounts

1.9 Investment account balances should be reconciled monthly with the general ledger. This reconciliation should be reviewed and approved by the Controller.

Investment Account Balances Agreed to Bank/Broker Statements

1.10 Amounts recorded on the supporting schedules should be reconciled to broker/bank statements at least quarterly but preferably monthly. The Controller should review these reconciliations.

2. SAFEGUARDING OF INVESTMENTS

Policy All investments should be safeguarded against physical loss or misuse.

All investments should be properly controlled to safeguard against theft, misuse, or damage. Authorized personnel and bankers or brokers should properly control certificates and other investment documents.

Procedures Investments Held by Authorized Agent

2.1 Certain investments may be held by an authorized agent dependent upon the type of investment activity. For instance, banks may or may not issue passbooks or certificates for demand and time deposits. Investments of this type should be held in a separate account, the activity of which will be reported on a periodic statement. In addition, other investments such as bonds, notes, or stock certificates may be physically controlled by a broker, bank, or bank trust department. If investments are held by an unrelated organization, a safekeeping receipt should be received in support of each transaction.

Investment Certificate or Safekeeping Receipt

2.2 An investment certificate or safekeeping receipt and a statement should be received in exchange for the check or bank transfer. For purposes of this section, an investment certificate refers to any evidence of investment including savings account passbooks, certificates of deposit, notes, bonds, stock certificates, and so on.

Physical Safeguards

2.2 All investment certificates kept on the premises should be physically safeguarded against theft, loss, misuse, or damage. The certificates should be kept in a locked, fireproof safe. If a safe is not available, a locked file cabinet should be utilized for temporary storage. Regardless of the storage used, it should be accessible only to authorized personnel.

Investment Storage Facility

2.3 If the district does not have a suitable investment storage facility on site, then arrangements should be made to rent a safety deposit box at a financial institution.

3. RETURN ON INVESTMENT

Policy Earnings on investments should be calculated and recorded in the general ledger monthly.

Separate investment income accounts should be utilized to record monthly activity. Such accounts should include interest and dividend accruals, and related interest and dividend income accounts as well as

accounts for both the unamortized balance and the current year amortization of investment premiums and discounts.

Procedures Interest Income

3.1 Interest income should be recorded monthly for earnings on all investments. The earnings should be calculated for each investment and aggregated for recording purposes. A worksheet should be used to document the interest income calculations.

Premium/Discount on Bonds and Notes Receivable

3.2 Certain bonds and notes receivable can be acquired and sold at amounts other than face value. The amount in excess of face value is a premium whereas the amount of the reduction from face value is a discount. The premium or discount represents the present value of the future amounts necessary to adjust the stated interest rate to a market rate on the trade date. The amount of the premium represents a reduction of earnings calculated at the stated rate and should be recognized over the investment holding period. Similarly, a discount represents additional earnings that should be recognized over the investment holding period.

Premiums and discounts should be amortized into income utilizing the interest method. The interest method results in a level yield on each investment over the applicable holding period.

Investment Income Schedule

3.3 A schedule should be prepared to support the various investment income and premium/discount general ledger accounts. The schedule should include:

- Investment number
- Investment description
- Date acquired
- Interest rate (if applicable)
- Face amount
- Historical cost
- Amortization/adjustments to date
- Carrying value

Investment Summary Schedule

3.4 A summary schedule of the total activity by investment type should be prepared as indicated in 1.8.



Section IX

Property and Equipment

1. ADDITIONS TO PROPERTY AND EQUIPMENT

Policy All additions to property and equipment should be properly authorized utilizing our requisition/purchase order processing. Expenditures for tangible assets used actively in business operations that benefit a period exceeding one fiscal year should be capitalized. Repair costs are recorded as expenditures. The following procedure should be followed in determining if a purchase meets the necessary requirements for capitalization:

<u>Asset Class</u>	<u>Minimum Cost</u>
Equipment	\$ 5,000.00
Structures & Land Improvements	\$10,000.00

The following broad asset types generally categorize property and equipment:

- Land
- Land improvements
- Buildings
- Equipment
- Furniture, fixtures, and office equipment
- Computer equipment, including purchased software
- Tools
- Vehicles
- Construction in process

Capital budgeting is as integral to forming a company's annual business plan as is operations budgeting. Since the budgeting process must take place far in advance, estimations of acquisitions in the budget year must be made. The decision to purchase a capital asset should be an informed one based on current year budgets, projected benefits of the addition, and possibility analysis of the lease versus purchase options.

The fixed asset accountant should maintain a CIP book, which contains details for all proposed capital project expenditures over a five-year period.

Procedures Approval of Capital Budgeting

1.1 Capital budgets should be submitted along with operating budgets for review and approval by the appropriate levels of management and the Board of Trustees.

Capital Asset Purchase Authorization

1.2 No purchase of capital assets should be made without proper authorization and review to ensure compliance with budget guidelines and sound investment decision making.

Approval of Requisition Requests

- 1.3 Requisition requests should be submitted and approved by appropriate levels of management as determined by the dollar magnitude of the acquisition before funds are committed for capital expenditures.

Requisition requests and purchase orders are required for all capital asset expenditures. The requisition and purchase order should specify the reason for the request and the estimated cost.

In some instances, capital items will need to be purchased that were not included in the budget. Proper change-of-scope forms and authorizations by the appropriate levels of management must be received prior to purchasing these items.

Long-Term Lease or Purchase

- 1.4 Obtaining the use of property and equipment through long-term leases is an alternative to outright purchase. Leases vary in term, assumption of expenses, and many other details. The purchase versus lease decision should be based upon the basis of net cost, considering cash flows, financial statement presentation, and suitability of the asset to leasing.

2. ACCURATE RECORDS OF PROPERTY AND EQUIPMENT

Policy Accurate records should be maintained of the cost and accumulated depreciation of property and equipment.

The acquisition of capital assets should be organized to ensure that no unauthorized acquisitions have been made and that records of each acquisition are accurate, complete, and recorded in the appropriate period.

Procedures Receipt and Identification of Capital Assets

- 2.1 All property and equipment should be identified upon their receipt by the use of a prenumbered tag. The tag should be permanently affixed in a readily visible area. The property number on the tag should be recorded in the detailed fixed asset ledger. The location of the asset should be recorded in the detailed fixed asset ledger.

Review of Purchase Price Variances

- 2.2 For each capital item purchased, a comparison should be made of the actual versus budgeted cost. Differences should be explained and approved by a responsible person.

Maintenance of Detailed Fixed Asset Ledgers

- 2.3 Detailed fixed asset ledgers that are accurate and complete should be maintained for all asset classifications.

Depreciable Assets Net Acquisition Costs

2.4 Depreciable assets should be carried in the accounting records at the original net acquisition cost, less separate accounts for accumulated depreciation or depletion. Non-depreciable capital assets customarily should be carried in the records at the original net cost. Purchased items of property and equipment that meet the capitalization requirements are to be capitalized at the invoice price plus all charges incurred to prepare the asset for operations.

Cost of acquisition or construction includes not only the contract or invoice price but also such costs as preliminary engineering studies and surveys, legal fees to establish title, installation costs, freight, and labor and material used in construction or installation.

Cash discounts taken should be recorded as a reduction of the cost.

Posting to Detailed Ledger

2.5 Asset additions, disposals, and period depreciation should be posted to the detailed ledger on a monthly basis.

Reconciliation to General Ledger

2.6 On periodic bases, the detailed fixed asset ledger should be reconciled with the general ledger for asset cost and accumulated depreciation.

Investigation and Resolution of Differences

2.7 Any differences disclosed by the reconciliation in 2.6 should be investigated and resolved.

Review of Differences

2.8 The results of the reconciliation should be reviewed and approved by the Controller before any adjustments to the accounts are recorded. A signature should evidence such review.

Capitalization of Expenditures While Building

2.9 Expenditures made by the District while building a capital asset should be capitalized.

Expenditures such as those for materials, labor, engineering, supervision, clerks' salaries and expenses, legal expenses, insurance, overhead, and interest should be capitalized as "construction in progress" until the project is completed and placed in service. No depreciation should be taken on construction in progress.

Periodically during construction, a comparison should be made between projected and actual expenses incurred. Appropriate approvals should be obtained if projected costs will exceed the budgeted amount prior to expenditures going over budget.

Upon completion of construction and placement in service, the asset should be removed from construction in progress and entered into the detailed fixed asset ledger under the appropriate classification. Depreciation should now be taken on the asset.

Expenditures – Capitalization vs. Expense

2.10 Repair expense should be distinguished from expenditures for improvements, additions, renovations, alterations, and replacements.

- (a) Expenditures are repair expense if they do not materially add to the value of the property and do not materially prolong the life of the property. Examples of repair expense are:
 - Replacing loose or damaged shingles
 - Replacing broken glass
 - Painting and decorating
 - Resurfacing a parking lot
 - Making temporary repairs to last less than one year
 - Making minor repairs to fully depreciated assets

- (b) Repair costs that increase the value of property, prolong its life, or adapt it to a new or different use are capital expenditures. If the life of the asset has been significantly extended, the remaining original cost and the repair cost should be depreciated over the new life. Examples of repair expenditures that are capital expenditures are:
 - Replacing floors
 - Replacing a roof, thereby substantially prolonging its life
 - Reconditioning machinery, thereby extending its life
 - Replacing an auto's or a truck's engine
 - Overhauling an auto or truck that was substantially worn out
 - Installing a new heating system

- (c) Other expenditures that may be capitalized:
 - Structural changes or alterations to company-owned buildings, which become a part of a building and increase its life or value
 - Significant improvements to property leased by the company, improvements that add value to the leasehold (e.g. permanent office partitions)

3. DEPRECIATION OF PROPERTY AND EQUIPMENT

Policy The cost of all capitalizable assets should be allocated over the estimated useful lives in a rational and systematic manner.

Straight-line depreciation is used for determining depreciation. Straight-line depreciation is calculated by using an equal amount of the net cost of an asset and retiring this amount monthly over the useful life of the asset.

Procedures Determination of Useful Life

3.1 The useful life should be determined when a capital asset is acquired. The useful life is expressed in terms of months.

The cost of an asset should be allocated over a useful life via depreciation or depletion.

When a useful life is not determinable, such as for land, no depreciation should be taken.

If there is a change in the estimate of the remaining useful life after the asset is placed into service, the remaining cost to be depreciated should be spread over the revised remaining life.

The Controller should review the estimated useful life.

Once depreciation has been determined, it should be applied consistently until conditions change to such a degree that its application no longer produces reasonable results.

4. EXISTENCE OF CAPITAL ASSETS

Policy Control should be maintained over capital assets and their related records to ensure that all recorded assets exist and are in use for operations.

The physical existence of capital assets should be verified and reconciled to the fixed asset records.

Procedures Identification and Record of Assets

4.1 At the time of acquisition, all assets should have been identified, tagged, and entered into the detailed fixed asset ledger. The tag should have been placed in a visible area. The tags provide a clear method of tracing the asset to the fixed asset ledger. Periodically, the District should take a physical inventory of all capital assets to ensure the completeness and accuracy of the company's records.

Responsible management employees who are not responsible for the custody or record keeping of the assets should oversee the inventory process.

All assets should be examined to determine that they are currently being used.

Comparison to Detailed Records

4.2 The inventory of the assets on hand should be compared to the detailed records.

A responsible management employee should resolve all differences.

5. DISPOSAL OF CAPITAL ASSETS

Policy Disposal of capital assets should occur only after proper authorization has been given.

Control over the disposition of property should be maintained not only to preserve the accuracy of the records but also to ensure that assets are safeguarded, improper disposal is avoided, and the best possible terms are received for disposal.

Procedures Documentation of Disposal

5.1 The following procedures should apply to the retirement and disposal of company assets:

- No item of property and equipment should be removed from the premises without a properly approved disposal form
- A disposal form should be completed for all disposals
- This disposal form should be reviewed and approved by the fixed asset accountant
-

Recording Disposal

5.2 Once the retirement has been properly approved and documented, the following procedures apply to the recording of the transaction:

- (a) At the time the property is retired, the cost should be removed from the appropriate asset account; the related accumulated depreciation including depreciation to date of disposal, should be removed from the accumulated depreciation account; and the profit or loss, adjusted for the cost of removal, should be recorded as an income (gain) or expense (loss) item.
- (b) When the disposal is via a trade-in of a similar asset, the acquired asset should be recorded at the book value of the trade-in asset plus any additional cash paid. In no instance should such cost exceed the fair market value for the new asset.

Fully Depreciated Assets

5.3 Fully depreciated assets should remain on the property records with the related accumulated depreciation as long as the property is still in use.



Section X

Purchasing and Accounts Payable Cycles

1. DETERMINATION OF NEEDS

Policy Determination of IVGID's needs for goods and services should be made by appropriate personnel and according to company guidelines.

The determination of needs for goods and services, such as inventory, equipment, office supplies, and professional services, should be made by qualified individuals in the company and according to organizational guidelines that consider adequate quantities, reasonable prices, timely receipt, proper specifications, and desired quality. The guidelines must also consider and avoid the disruption of operational efficiency because of improper or untimely purchases and potential losses and use of cash caused by excessive purchases.

Procedures Methods to Determine Needs

1.1 Purchasing requirements, categorized by the type of goods or service, should be determined according to the following methods:

- (a) Inventory replenishment needs should be determined by a supervisor who has responsibility for the specific task, and should be done automatically when stock on hand reaches a reorder point.
- (b) The need for services that are provided on a recurring basis by the same vendor, such as utilities, telephone, periodicals, or janitorial services, should be determined initially by authorized persons and, thereafter, provided continuously or not redetermined until the end of the contract period.
- (c) Determining the need for specialized services, such as insurance, advertising, and legal and accounting services, should be the responsibility of designated individuals.
- (d) Responsible individuals within each division of IVGID should determine routine operating and maintenance goods and services.

Preparation of Requisitions for Routine Goods and Services

1.2 Requisitions for routine goods and services should be prepared by the user department on the JDEdwards software and contain the following information:

- (a) Vendors – names and address.
- (b) Billing address - all departments should use 893 Southwood Blvd., Incline Village, NV 89451.
- (c) The date the department made the requisition.
- (d) Ship or deliver to the specific location where goods or services are to be delivered.
- (e) Name of originator or individual designated to receive goods when received from vendor.

- (f) List of specific items requested including part number, model number, color, dimensions, item description, etc.
- (g) Specific quantity to be purchased and delivered.
- (h) Unit of measurement – each, dozen, carton.
- (i) Current unit price.
- (j) Approval obtained through JDEdwards software if the amount is above the originator's approval level.
- (k) CIP requisitions should include the CIP budget year, the data sheet number, and area, and should be printed on the hard copy of the purchase order form.

New Vendors

1.3 When it is necessary to establish credit with a new vendor, the following information needs to be furnished to an Accounts Payable Clerk prior to placing an order:

- Vendor Name – DBA, if applicable
- Vendor Address and remit address if different
- Vendor Tax ID number or social security number
- Vendor organizational type – e.g. corporation, partnership, or sole proprietorship
- Vendor phone and fax numbers
- Vendor contacts

An Accounts Payable Clerk will then request from the vendor completion of a W-9 form and remit address form (before checks will be issued).

Limitation on Purchases through Imprest Funds

1.4 Purchases through an imprest fund should be limited to \$50, and should be for items that are purchased in small quantities and usually required within a very short time period. A petty cash voucher is to be filled out for each purchase and given to the person responsible for keeping the petty cash fund. This voucher should include the description of purchase, correct account coding, and an authorized legible signature.

When the imprest fund becomes significantly low, the authorized personnel in charge maintaining the funds must request reimbursement of purchases paid. This is accomplished by completing a check request form, attaching receipts equal to the request, and forwarding the request to accounts payable.

Purchase Order Processing

1.5 Once the requisition request has been approved, the requestor should obtain a purchase order number through the JDEdwards computer software.

Purchase Order numbers must be obtained before ordering the services or materials and given to the vendor upon order - see exceptions, 2.1(b).

Bid Processes

1.6 There are 3 types of bidding processes to consider for local governments:

- Informal bids: If bid/contract is over \$10,000 but less than \$25,000 then 1) bids must be submitted to 2 or more persons capable of performing the contract, and 2) Records of all requests for bids received must be kept for at least 7 years after the date of execution of contract.
- Non-Public Works construction bids: If bid/contract is over \$25,000 then the following rules must be followed.
 - A. Must advertise all contracts for which the estimated amount required to perform the contract exceeds \$25,000.
 - B. Maintain a record of all requests for bids and all bids received for at least 7 years after the date of execution of the contract.
 - C. Publication of notice to bid must be published at least once and not less than 7 days before the opening of bids. The advertisement must be by "notice to bid," and must be published in a newspaper having general circulation.
 - D. The notice must state the nature, character or object of the contract; if plans and specifications are to constitute part of the contract, where the plans and specifications may be viewed.
 - E. On-line bidding is allowable – see statute on requirements (NRS 332.047).
 - F. Exceptions to requirements for competitive bidding (NRS 332.115) include: items which may only be contracted from a sole source; professional services such as consulting, legal, etc; additions to and repairs and maintenance of equipment which may be more efficiently added to, repaired or maintained by a certain person; equipment which by reason of the training of the personnel or of an inventory of replacement parts, maintained by the local government is compatible with existing equipment; perishable goods; insurance; hardware and associated peripheral equipment and devices for computers; software for computers; supplies, materials or equipment that are available from contracts with the General Services Administration or another governmental agency in the regular course of its business; items for resale through a retail outlet operated in this state by a local government or the State of Nevada.

- Public Works Construction bids:

- Construction projects over \$100,000:

- A. Adhere to the law NRS 338.
 - B. May not divide a project into segments to avoid public bidding.
 - C. Must advertise in a newspaper of general circulation (Bonanza is fine).
 - D. Must have plans and specifications on file by the date of advertisement.
 - E. Plans and specifications must be available to all interested parties.
 - F. Place, date, and time of where plans and specifications are available must be advertised.
 - G. Date, place, and time of when and where the bids will be opened must be advertised.
 - H. Contract must be awarded to contractor who submits the best bid.
 - I. Best bid is not necessarily the lowest; but IVGID must have compelling reasons to award to a higher bidder. As a reference, refer to Case No CV01-05346, Second Judicial Court, and Washoe County (American General Development vs. Washoe Co School District.
 - J. Contractor must be licensed in Nevada in appropriate classification.
 - K. 10% bid bonds required.
 - L. IVGID Board of Trustees must award work.

- Construction Projects between \$25,000 and \$100,000:

- A. Advertising is not required.
 - B. Must maintain a list of qualified contractors.
 - C. May request bids by direct mail from the qualified contractors.
 - D. Other provisions of larger contracts apply.

- Construction Projects under \$25,000:

- A. IVGID Internal Policy applies.

- In-House Projects:

- A. IVGID may do construction with its own forces if the Board determines that the bidder isn't qualified, or that the bidder isn't responsive, or the quality of services, materials, equipment or labor does not conform to plans and specifications, or that the public interest would be served by bid rejection and using in-house construction forces.

Emergency bidding not required: If an emergency exists that may lead to impairment of the health, safety or welfare of the public if not immediately attended to, then the bidding process is not required.

2. PLACEMENT OF ORDERS

Policy Proper approval and a purchase order number should be obtained prior to the establishment of a firm order or contract to purchase.

Requisitions and purchase orders will be reviewed to ascertain that the amount of requisition is within the approved company limit. Copies of the purchase orders may be filed to allow for timely follow-up on incomplete orders.

IVGID's terms are net 30 days. However, payments will be made earlier in order to take appropriate discounts, avoid penalties, or contract agreements.

Telecommunications (phone or data lines), computer hardware and software are handled through the Information Technology Division (IT). All inquiries and orders should first be identified, researched, and approved by IT.

Procedures Establishment of Purchasing Guidelines

2.1 The General Manger, the Board of Trustees, and NRS determine purchasing guidelines that define approval requirements and procedures for purchase commitments. The following purchasing guidelines should be applied:

- (a) Approval limits are set for each employee over which the employee is required to obtain appropriate approval prior to the establishment of a firm order or contract.
- (b) All purchases are to be obtained using a purchase order with few exceptions - as listed below:
 - Any cash purchase under \$500.
 - Established revolving District charge cards.
 - Small purchases at Incline Auto Parts, Spitsen Lumber and Village Ace Hardware.
 - District Procurement card purchases.
 - Payments to utility companies such as Southwest Gas, Sierra Pacific Power, and SBC.
 - Reimbursements such as petty cash or employees payments.
 - Recreation instructor payments.
 - Investment management invoices.
 - General Council payments.
 - Bond and Note payments and related payments.

Entering Into Purchase Commitments

- 2.2 Purchase commitments should be entered into to assure an adequate supply or price. All contracts should be documented in writing and the approval of the Board of Trustees should be obtained before a firm contract is signed. In order to avoid losses from inappropriate commitments, a projection of requirements for the specified goods or services should be prepared.

Preparation of Prenumbered Purchase Orders

- 2.3 Purchase order numbers are automatically assigned within the JDEdwards process. Purchase orders should be prepared and contain the following information:
- Name and address of vendor
 - Ship-to information
 - Date the order was placed
 - Date the goods are to be delivered or service performed
 - Terms of purchase
 - Items listed separately with adequate descriptions
 - Specific quantity and unit of measure
 - Unit price
 - Signature of authorized buyer

Multiple-Copies of Purchase Orders

- 2.4 Multiple-copies of purchase order forms may be used with copies being distributed as follows:
- Copy to vendor (if necessary)
 - Accounts payable department
 - Copy to originator (if necessary)

Review of Unmatched Purchase Commitments

- 2.5 On a periodic basis, a review should be performed by an Accounting Clerk of any commitments that have not been matched with receiving reports or equivalent records of goods or services received. Follow-up should be performed to determine whether or not the goods or services are yet to be received. If it is determined that the goods or services are not to be received, the purchase orders should be voided and removed from the system.

3. Cellular Telephone Use

Policy

IVGID requires certain positions within the District to use cellular telephones for business purposes. The need and business purpose for use of a cellular telephone will be stated clearly in the Job Description. Factors which support cellular telephone use include but are not limited to:

- Performing work requires the employee to be out of the office on a regular basis where availability of a land telephone is limited.

- Performing work which requires the employee to regularly serve in an off-duty, on-call status a minimum of 2-3 days a week.
- Performing work which requires the employee to stand by for emergency call back where once called, time becomes a significant response factor.
- Where the safety of the employee of participants at a District sponsored program or event requires it.
- Managerial responsibilities.

Each employee in a job requiring a cellular telephone will be offered a District provided Nextel cellular telephone. If it is to the mutual benefit of the District and the employee, the District may elect to allow the employee be provided a fixed dollar stipend for the use of the employee's personal cellular telephone as the means of communication for District business.

Procedures Establishment of service

- 3.1 At the time of hire, the employee's supervisor and/or manager will determine the requirement for a cellular telephone. The employee and supervisor/manager will agree which plan suits the needs of the District and the employee.
- 3.2 If it is determined that a District Nextel cellular telephone will be issued, a cellular phone agreement will be completed, approved and forwarded to the Information Technology Department (IT). IT will purchase all equipment and set up.
- 3.3 If it is determined that the employee will use their cellular telephone and District plan, a cellular phone agreement will be completed, approved and forwarded to the Information Technology Department (IT). A monthly stipend for the cellular telephone will be included on the payroll check for the 20th of each month.
- 3.4 See the District Cellular Telephone Policy for complete rules and regulations.

4. RECEIPT AND ACCEPTANCE

Policy Control should be established over goods and services received as a basis for determining and recording the liability for goods and services received.

The physical receipt of all purchased goods should be the responsibility of the receiving department or a designated individual at each of our departments. The receiving person should inspect goods for conformity with specifications on the purchase orders. Counting, weighing, or measuring should verify quantities. Receipt and acceptance of a

shipment should be documented with signature and date on a receiving document or packing slips and should then be routed to the accounting department.

Procedures Inspection of All Goods and Services

- 4.1 A receiving department or designated individual should inspect all goods received for the following:
- Correct delivery point
 - Verify the number of containers
 - Verify contents – compare description of goods and quantity per the purchase order
 - Inspect for damage
 - Remove packing slip, sign and date, and send to the accounting department

Proper Communication Between Departments

- 4.2 The receiving department or originating individual should contact the vendor if any order has an obvious discrepancy (physical damage, wrong items, quantity error, etc.) in an expeditious manner to reach an understanding about how to correct the delivery.

Receiving Documentation Sent to Accounting to be Filed

- 4.3 After inspection, the packing slip should be signed, dated, and sent to accounting with any noted discrepancies. The accounting division matches the packing slip with the purchase order. These documents are to be filed while waiting for the invoice.

Inspection and Approval of All Services Received

- 4.4 Services that are received should also be inspected or reviewed by the user department to determine that the work was done in accordance with the purchase order or contract. Approval by the user department should be documented on the purchase order or on the invoice and sent to the accounting department.

If the work is of a confidential or highly technical nature, a specific department (e.g. engineering) or individual (e.g. risk manager) may wish to review the documentation and approve the services received.

Storing and Controlling of Goods

- 4.5 Inventory, component parts, and other goods should be accounted for and controlled from the time of receipt through utilization. Any transfers to the appropriate user department must be noted on a warehouse order form.

Storerooms should be locked. Access to storerooms should be restricted to authorized personnel.

Recording month-end inventory

- 4.6 A journal entry should be prepared to record goods that have been received prior to the end of an accounting period but have not been matched with the related suppliers' invoices. (See 6.0 for further discussion of cut-off procedures at the end of an accounting period.

5. ESTABLISHMENT OF ACCOUNTS PAYABLE

Policy All valid accounts payable transactions should be accurately recorded as accounts payable.

Employees independent of the ordering and receiving functions should record the recording of assets or expenses and the related liability. The amounts recorded should be based on vendor invoices for the related goods or services. The vendor invoices should be in agreement with an approved purchase order. Furthermore, evidence of receipt or performance of services should be documented before the vendor invoice can be processed. Invoices and related general ledger account distribution should be reviewed before recording.

Procedures Establishment of Invoice Control

- 5.1 All vendor invoices and statements should be mailed directly to 893 Southwood Blvd. and forwarded to the accounting division. Failure to do so may result in delays in recording the invoice and cause misstatement of accounts payable and the related asset or expense accounts. Furthermore, cash discounts may be lost or penalties imposed because of untimely processing.

The ship-to address can be the main warehouse or an individual department address.

Accounts Payable Time-Line

- 5.2 All invoices must be submitted to the Accounts Payable Department by noon each Monday. If a holiday falls on a Monday then the deadline is on Tuesday by 10 AM.

Request-for-Check forms

- 5.3 A request-for-check form is only used in place of an invoice, for cash advances for trips or seminars, and for special purchase reimbursements. Proper coding and authorization must be completed.

Travel Authorizations and Reimbursable expense

- 5.4 Your supervisor and division head must approve a travel authorization form during the planning stages of a trip. The travel authorization is not a payment authorization. Payment authorizations are accomplished through the use of an expense report or a check request form.

IVGID will pay for expenses related to business only. Meal expenses will be covered at the established per diem rate of \$35 per day unless specified on the IRS per diem table (contact an accounts payable clerk for area rates). Mileage expenses will be covered at the established rate of \$.485 per mile.

Expenses will be paid via an expense report. A clearly documented business purpose must be reported on the expense report, and all individual expenditures must have a supporting receipt attached except the meal per diem. Approved expense reports and receipts must be submitted to Accounts Payable within 30 days of the first date of incurred expense. Small receipts should be attached to an 8x5 blank sheet to allow for easy verification and so those small receipts aren't lost in the process. (See additional information in IVGID's Personnel Policy Manual, section II, C-5). A copy of the travel authorization must accompany a check request or expense report.

Preparation of the Voucher Package

5.5 The voucher package should be assembled with the following documents:

- Vendor invoice
- Packing slip
- Purchase Order
- Authorization of acceptance of goods or services

Procedures Performed on Voucher Package

5.6 After the voucher package has been assembled, the following procedures should be performed:

- The nature and quantity of goods ordered and the price per the vendor invoice should be compared to the purchase order and the receiving document
- Calculations of the invoice, such as totals and extensions of quantities multiplied by unit price, should be recomputed
- The general ledger account coding should be verified
- If the invoice is over \$2,500, the voucher package should be reviewed and approved by the Accounting Supervisor or the Controller.

Processing of Freight Bills

5.7 Freight bills may be received for goods received from vendors and for goods shipped to customers.

The bill of lading should be routed from the receiving division to the accounts payable division. When the invoice for the freight is received, the invoice should be approved for payment by the original receiving division, coded, matched with the proper purchase order, and sent to the accounts payable division.

A voucher package should be assembled as stated above in item 4.5.

Guidelines for C.O.D. Purchases

5.8 Cash on delivery (C.O.D.) purchases are discouraged. When it becomes necessary for a C.O.D. purchase, a requisition and purchase order should be prepared, complete with proper coding and approval. A check request is then processed for payment. When the goods are delivered, the following procedures are appropriate:

- The goods should be inspected by the receiving division
- The bill of lading and the vendor invoice should be immediately marked "paid"
- The purchase order number should be marked on the invoice
- The documents should be sent to the accounts payable division for filing
- The account payable clerk should review the documents and compare them to the check request and check that was issued earlier. Any discrepancies should be resolved.

Recording Invoices in the Accounts Payable Computer System

5.9 After the voucher package is complete, the vendor invoice is ready for recording. The following information should be entered into the JDEdwards computer system:

- Vendor name
- Vendor invoice number
- Date of vendor invoice
- Amount of invoice
- General ledger account number
- Date invoice is to be paid
- General ledger date
- Discount, if applicable
- Voucher number (assigned automatically by system)

Upon the posting of the vendor invoice into the accounts payable system, the vendor invoice has been automatically recorded into the accounting system as a liability. Batch numbers or user names complete invoice postings.

Check Run Process

5.10 Check runs are completed weekly. Invoices are processed on Monday's and Tuesday's. Checks are printed on Wednesday's, matched, verified, and readied for disbursement Wednesday afternoons and Thursday's. Checks are ready to be picked up or mailed from the accounting office on Friday's at 9 am.

IVGID's vendor terms are Net 30 days.

Checks over \$2500 must be listed and presented to the Board of Trustees before they are released. Exceptions to holding checks for board approval are checks that pay utilities, inventory, to avoid penalties, to receive discounts, or by contract agreement. Board meetings are normally held during the second and last week of each month. Checks over \$2500 that receive board approval are mailed the day after the board meetings.

Out-of-cycle Checks

- 5.11 Out-of-cycle checks are discouraged. Planning ahead should eliminate the need for out-of-cycle checks. If a check is necessary before the next scheduled check run, approval must be obtained from the Controller and/or the General Manager along with a detailed explanation as to why the check needs to be processed early.

Returned Checks

- 5.12 Returned checks should be forwarded to Accounts Payable Clerk for processing. The Accounts Payable Clerk will research the reasons for the return to determine if the check needs to be forwarded to a new address; or if the payment was made in error, the check should be immediately voided.

If a division has a check that they have picked up from Accounts Payable that they no longer need, the check needs to be returned to Accounts Payable immediately so that it can be voided or mailed to the vendor. All checks should be returned to the Accounts Payable Clerk within four weeks of the issuance date.

Reconciliation of Accounts Payable General Ledger Amounts

- 5.13 Twice a year (December and June), the accounts payable general ledger total should be reconciled. All differences should be investigated and adjustments made as necessary. The reconciliation and the results of the investigation of differences should be reviewed and approved by the Controller. The reconciliation and adjustments should be made by someone other than the accounts payable clerk.

Review of Debit Balances in Accounts Payable

- 5.14 The accounts payable clerk should review the accounts payable detail list on JDEdward's speed release monthly for debit balances (amounts vendors owe IVGID). In reviewing debit balances, the employee should ascertain if the company will receive cash from the vendor or if an offset to another invoice is appropriate. If there is a significant dollar amount of debit balances in accounts payable, this debit balance should be removed from accounts payable and recorded in accounts receivable.

Review of Hold Balances in Accounts Payable

5.15 The accounts payable detail list on JDEdward's speed release should be reviewed weekly by the accounts payable clerk for all "hold" amounts. In reviewing the holds, the employee should ascertain if these holds should be released against other invoices or if the invoice should remain on hold. All holds should be investigated and adjustments made accordingly.

Reconciliation of Accounts Payable Records to Suppliers' Records

5.16 Accounts payable records should be periodically reconciled to suppliers' records by comparison with supplier's statements. Any differences should be analyzed. A copy should be immediately obtained of any invoice(s) that is 60 days or more past due. Once received, proper approval must be obtained, and the invoice paid as soon as possible. Also, copies should be obtained of any credit memos that have not been recorded. It is important to have our vendor records mirror that of our a/p records.

Sales and Use Tax

5.17 The Nevada Revised Statutes have granted IVGID sales/use tax-exempt status. Therefore, purchases in the state of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K. If a vendor requests further verification of the Districts exempt status, a copy of the letter from the State of Nevada, Department of Taxation can be faxed or mailed to them.

Phone bills and Reimbursement of personal phone calls

5.18 All phone bills will be reviewed by each division for accuracy.

Any questionable charges will be researched and resolved.

6. RETURN OF GOODS TO SUPPLIERS

Policy Return of goods to suppliers should be adequately controlled, documented, and recorded.

The return of goods should be approved and documented by each area or the receiving division. Follow-up with the supplier should be made to ascertain that the supplier recognized the return of goods.

Procedures Shipment of Goods Back to Vendor

6.1 When each area or the receiving division has goods to return to a vendor, a log should be maintained recording the description of merchandise, vendor, quantity, and reason for rejection.

The area or receiving division should call the vendor and shipping company to arrange for return. A credit memo should be requested to be sent to the accounts payable division. Notice

should also be given to the accounts payable division or the return or if a replacement item will be sent.

7. PURCHASE CUT-OFF

Policy At the end of the accounting period, it should be ascertained that the related liabilities for goods or services received during the accounting period are also recorded in the same accounting period.

Procedures Procedures for Proper Purchasing Cut-Off at End of Accounting Period

7.1 Time delays in receiving and processing vendor invoices for goods and services can cause recording the liabilities for the related goods and services in a subsequent accounting period, unnecessary penalties, or C.O.D. requests. Therefore, it is imperative that an attempt be made to record all liabilities and that a proper purchasing cut-off is achieved. To accomplish this, the following procedures should be observed:

- (a) Closing of the accounting records should be delayed for a few days to allow receipt of vendor invoices. The preliminary and final month-end close is completed on approximately the 5th and 10th business day of each month.
- (b) Invoices that are received at the end of each month should be immediately sent to the accounts payable division for processing. Invoices are processed and recorded to the general ledger according to the invoice date unless otherwise noted by the receiving departments. Invoices received after a month end close are recorded in the current open month.

8. PROCUREMENT CARD PROGRAM

Policy The procurement card program is a fast and flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an efficient and effective method for purchasing and paying for items. The procurement card has individual purchase limits and monthly total expenditure limits assigned to each cardholder.

The card is to be used for official purchases; primarily goods and services but includes official travel. The cards will be issued in the employee's name and have the Incline Village General Improvement sales tax ID number clearly indicated on the card.

Procedures Approval of cards

8.1 Individual cards will be issued to employees upon approval by their supervisors and the general manager. Approval is authorized by completion of an application, complete with signatures. Individual card limits are established at his time.

The Procurement Card Administrator within the Finance and Accounting Division is responsible for ordering new cards. The administrator will also oversee the balancing and payment of the monthly statement. One-time limit over-rides can be arranged by the Procurement Card Administrator.

Issuance of cards

8.2 Each individual cardholder must sign the cardholder agreement including the receipt section in the presence of the Procurement Card Administrator. By signing this agreement, the employee indicates that he/she understand the intent of the program, and will comply with all guidelines of the program.

Cardholder responsibilities

8.3 The cardholder must use the procurement card for legitimate business purposes only. Misuse of the card will subject the cardholder to disciplinary action in accordance with IVGID's policies and procedures relating to disciplinary action.

The cardholder must:

- Ensure the card is used for legitimate business purposes only.
- Maintain the card in a secure location at all times.
- Not allow other individuals to use their card without prior approval for each purchase.
- Adhere to the purchase limits and restrictions of the card and ensure that the total transaction amount of any single transaction does not exceed the authorized threshold.
- Obtain and reconcile all sales slips and register receipts to the cardholder statement and provide this documentation to the Procurement Card Administrator. Approval and account allocation must be provided.
- Attempt to resolve disputes of billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by faxing Bank of America the required Dispute Form. The Procurement Card Administrator can assist with this process.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent cardholder statement.
- Not accept cash in lieu of a credit to the purchasing card account for returned items.
- Immediately report a lost or stolen card to Bank of America.
- Send invoices immediately to the procurement card administrator in the Finance and Accounting division.

Monthly statement review and approval

- 8.4 The card administrator will supply each cardholder with a copy of his or her monthly statement. All charges are to be verified. A copy of each receipt properly approved and coded should be returned to the administrator within three business days. Food purchases should include the names of all persons involved.

However, if all receipts for a monthly procurement card statement have been coded and sent to the card administrator, the card administrator will send the procurement card statement and receipts directly to his/her supervisor for final approval.

Occasionally no receipt will be available. If this happens, a note should be written explaining the purchase. Also included must be proper approval and coding.

Monthly statement payment

- 8.5 The Procurement Card Administrator will pay all charges due by the due date. Payment is to be made in the form of a bank wire transfer.

Purchasing Card Maintenance and Closure

- 8.6 All contact with Bank of America for card set up, maintenance and closure will be handled by the Purchasing Card Administrator who is located in the Finance and Accounting Division.

The Procurement Card Administrator is required to close an account if a cardholder transfers to a different department, moves to a new job in which a purchasing card is not required, terminates employment, or misuses his/her card.

A request for closing a cardholder account will be submitted to Bank of America by the Procurement Card Administrator. When an account is closed, the credit card must be returned to the Procurement Card Administrator.

Sales and Use Tax

- 8.7 The Nevada Revised Statutes have granted IVGID sales/use tax-exempt status. Therefore, purchases in the state of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K and should be on the face of the credit cards. If a vendor requests further verification of the Districts exempt status, a copy of the letter from the State of Nevada, Department of Taxation can be faxed or mailed to them. Copies of these letters can be obtained from the Procurement Card Administrator.

General Ledger Posting

- 8.8 The Procurement Card Administrator will complete a spreadsheet on a monthly bases of all amounts, coding, an

descriptions of purchases. After balancing is complete, these amounts must be posted immediately to the correct financial period in our general ledger.

9. ADVERTISING

Policy There are three primary types of advertising that the district processes on a regular bases – classified ads, legal ads, and display ads.

Classified ad purchase orders will be used primarily by HR for employment advertising. Each division will work with the HR Division on all employment ads prior to ad placement.

Legal ad purchase orders will be primarily used by the General Fund and/or the Engineering Division to satisfy the district's legal requirements.

All other divisions will primarily use the display ad purchase order. Each division will work with the Marketing Division on all marketing ads prior to ad placement.

Procedure Ad preparation and placement

9.1 Each division must contact the HR Division on employment ads or the Marketing Division on advertising ads prior to ad placement.

A purchase order must be issued before the ad is placed. When an exact amount of the ad is not known, an estimate will be used. The purchase order number must appear on the tear sheets and invoices.

Each division will use its own account codes.

All ads shall be proofread by the division placing the ad and by the HR Division (for employment ads) or Marketing Division (for advertising ads) before being finalized and approved with the vendor.

At the time the division receives the ad invoice, they should immediately approve the invoice for payment by providing the purchase order number along with their signature, current date, a proper coding. The invoice should then be forwarded to the Finance and Accounting Division for payment.

10. TIPPING

Policy Tipping is a reasonable expense of the district but should be limited through the following guideline.

Procedure Limitation of food tips

10.1 Food tips should not exceed 15% of your food charges.

11. BULK PURCHASES

Policy Certain bulk purchases should be ordered through established vendors in order to take advantage of governmental or IVGID discounts.

Procedure Office Supplies

11.1 All office supplies should be purchased through Office Max which takes advantage of our governmental discount. To receive a sign-on password, please see our Management Assistant. Office supplies are ordered by each division for the supplies they need.

Janitorial Supplies

11.2 All bulk janitorial supplies should be purchased by our Buildings Division and ordered through Lake Tahoe Supply. See our buildings division if you have any questions relating to janitorial supplies.

Fuel Purchases

11.3 Fuel purchases are ordered by our Fleet Division, ski area personnel and golf area personnel through Berry Hinckley. Berry Hinckley is able to furnish us with the governmental-required bio diesel and reformulated gasoline.

Printers and copiers

11.4 All purchases are handled by the IT Division to take advantage of our State discounts. After consultation, copier orders and maintenance are handled by the individual area. IT handles the necessary paperwork. IT handles all printer ordering, installations, and paperwork. IT is responsible for verifying the compatibility between all equipment and our computer equipment and systems.

Software licenses

11.5 All software licenses are handled by the IT division. Contact the IT division for further information.



Section XI

Notes Payable and Long-Term Debt

1. FINANCIAL RESOURCE REQUIREMENTS

Policy IVGID should establish an orderly system for anticipating financial resource requirements and analyzing the most effective means of providing for those needs.

Debt (in the broadest definition of the term) is the result of borrowing funds for a specific purpose for a specific period of time. It represents a major means of providing financial resources for IVGID.

Short-term financing consists of debt that is expected to be repaid within the normal operating cycle or within one year of the balance sheet date and can take the form of a line of credit agreement with a bank or demand notes payable.

Long-term financing is primarily debt that will not be repaid within the normal operating cycle of the business or within one year. This financing is used for longer-term needs such as capital improvements or business expansion, and will take the form of installment loans, bonds, debentures, and capital leases.

Procedures Financing through the issuance of debt can entail any number of different forms and types of indebtedness. The more common forms of debt are as follows:

Notes Payable

1.1 Notes payable is primarily used to meet short-term working capital needs. Certain assets such as customer receivables, inventory, or property and equipment often collateralize this debt.

Demand notes should usually be classified as a current liability because the repayment date is not specified.

Other notes payable may have a specified repayment date. These notes should be classified a current or long-term based on the specified repayment date.

Interest expense must be accrued on all notes payable, whether they are demand notes or not. Interest must be imputed on non-interest bearing notes or notes with unrealistically low interest rates. Interest should be accrued monthly over the term of the note based upon the balance of the notes payable, the stated (or imputed) interest rate, and the interest payment dates specified on the notes.

Installment Loans

1.2 Installment loans are debt instruments used primarily to finance the acquisition of a specific asset. Most frequently, these loans are collateralized by the land, buildings or equipment acquired. The repayment terms of an installment loan usually call for periodic payments to be made over the life of the debt. These

payments include both an interest and principal portion. The lender should provide the borrower with an amortization schedule showing a breakdown between the interest and principal portion of each payment.

Based upon the amortization schedule, the principal portion of the payments due within the next year should be classified as a current liability while the remaining principal balance should be classified as long term.

Interest expense on installment loans should be accrued and paid based on the amortization schedule referred to above.

Bonds

- 1.3 Bonds are used to finance larger capital projects such as the construction of a new facility or to finance a significant business expansion. Often bonds are secured by most of the assets of the district with bondholders having priority over many of the other creditors.

Interest on bonds should be accrued monthly using the specified rate.

Amortization of bond discounts and premiums must also be recorded monthly based upon amortization schedules prepared when the bonds were issued.

Long-Term Leases

- 1.4 Long-term capital leases are another means by which the purchase of equipment can be financed. The terms of a lease agreement usually call for equal periodic payments over the life of the lease. If a lease meets the criteria classification as a capital lease, the present value of the minimum lease payments is considered to be the long-term debt while the remaining portion of the minimum lease payments is considered to be the interest related to this debt.

An amortization schedule should be prepared showing the breakdown of each payment between the principal and interest portions. As with other installment loans, the principal portion of the minimum lease payments due in the next year should be classified as a current liability while the remaining principal balance should be classified as long term.

The interest portion of capital leases should be recorded and paid based on the amortization schedule referred to above.

2. ASSUMPTION AND AUTHORIZATION OF DEBT

Policy Determination of the need to assume debt should be made by the Controller and the General Manager of IVGID, and all debt should be appropriately authorized by the Board of Trustees.

The issuance of all new debt as well as the extension of any existing debt should be authorized by the Board of Trustees. This authorization should be documented in the minutes of the Board of Trustees meetings in the form of a resolution. In some instances the creditor will require that a board resolution authorizing the debt be included in the executed debt agreements.

Procedures Board of Directors Resolution

2.1 A resolution of the board of trustees should be prepared so as to document the board's approval of the issuance of the debt.

Debt Approval and Agreement

2.2 A copy of the resolution approving the issuance of the debt should be maintained with the executed copy of the debt agreement.

Records and Collateralization of Debt

2.3 A record should be maintained of the assets collateralizing the debt, if any and should include the following information:

- The assets should be specifically identified
- The record should be updated periodically to reflect the current book value of the assets

3. SAFEKEEPING OF DEBT AGREEMENTS

Policy Physical control of debt instruments should be maintained.

The original executed debt agreements and debt instruments should be maintained in a safe place and the existence of these instruments should be verified periodically.

Procedures Original Agreements and Instruments

3.1 The original debt agreements and instruments should be obtained once they have been executed.

Physical Safety of Agreement and Instruments

3.2 These debt agreements and instruments, as well as any subsequent amendments, should be kept in a safe place such as a vault or a safety deposit box. Consideration may be given to having these agreements and instruments maintained by IVGID's legal counsel at an outside location.

4. RECORD OF DEBT

Policy All debt should be recorded in the general ledger based on the terms of the debt agreement.

The issuance of any new debt or the extension of any existing debt should be accurately recorded in the general ledger based on the terms of the debt agreement that has been reviewed and approved by the board of trustees.

Procedures Cash Received in Exchange for Debt

4.1 When cash received in exchange for certain debt is included in the standard cash receipts system, the entry to initially record this debt is prepared as part of the cash receipts process described earlier. It is, however, important to properly identify the offsetting credit and classify the debt as current or long-term based upon the repayment terms.

Cash received in exchange for debt may be received via bank wire transfer or some other infrequently used method. In these instances, it will be necessary to prepare and record a general journal entry, again classifying the debt as current or long-term. This journal entry should be prepared or reviewed by the Controller.

Property and Equipment in Exchange for Debt

4.2 Property and equipment can be received in exchange for installment loans and capital leases. Therefore, the controls over the cash receipt system cannot be relied upon to identify new debt.

A general journal entry must be prepared to properly record the issuance of this debt and the corresponding property or equipment.

For installment loans, the principal portion of the debt plus any down payment made will equal the cost of the property and equipment acquired.

For capital leases, the cost of the equipment will be the present value of the minimum lease payments plus any down payment paid.

The Controller should review the journal entry and the supporting documents to ensure the appropriateness and accuracy of the entry.

Bond Price Fluctuations

4.3 Bond prices will fluctuate when the interest rate specified on the bonds differs from the prevailing market interest rates.

A discount or premium is recorded for the difference between the face value of the bonds and the issuance price.

The discount or premium should be amortized over the term of the bonds.

5. TIMELY INTEREST EXPENSE ACCRUALS

Policy Interest expense for all debt should be accrued on a timely bases.

An interest accrual should be recorded at the end of each month for all debt on the general ledger.

Procedures Interest Accrual Using Amortization Schedule

5.1 When the amortization schedule is prepared, the interest accrual should be computed based upon the interest portion of the next payment due and the number of days from the date of the previous payment until the end of the period.

Interest Accrual without Amortization Schedule

5.2 In situations where an amortization schedule is not available, the interest accrual must be computed based upon the principal outstanding during the period, the interest rate charged or imputed by the creditor, and the period of time from the date of the last interest payment until the end of the month.

6. DEBT PAYMENTS

Policy All payments should be properly recorded in the general ledger on a timely basis.

Payment on notes payable and other long-term debt made through IVGID's standard disbursements system, through the transfer of funds by wire, or other methods should be recorded on a timely basis.

Procedures Separate Principal and Interest Components

6.1 For debt that combines both principal and interest into one payment, it is necessary to record the separate principal and interest components of each payment.

If an amortization schedule is to be provided by the creditor, it should be obtained when the debt agreements are executed or as soon thereafter as possible.

If an amortization schedule is not provided, it should be prepared based on the terms of the debt agreement.

A copy of the amortization schedule should be maintained with the original executed debt agreements. A copy should also be kept in the accounting division so that each periodic payment can be properly recorded in the general ledger.

Debt Payment through General Ledger Distribution

- 6.2 If the debt payment is made through IVGID's standard disbursement system, reliance should be placed on the general ledger account distribution process. The account distribution coding for these payments should be reviewed to ensure that the notes payable or other long-term debt and the related interest accrual are properly relieved in accordance with the applicable amortization schedule and other supporting documents.

7. BOND DISCOUNTS AND PREMIUMS

Policy Bond discounts and premiums should be amortized over the term of the bonds.

Bonds normally may be issued for a price that differs from the face or maturity value of the bonds. This difference will be either a premium if the sales price is in excess of the face value of the bonds or a discount if the sales price is less than the face value of the bonds. The difference must be amortized over the term of the bonds. The method used to compute the amortization is the interest method. The amortization of a premium will reduce the interest expense while the amortization of a discount will increase the interest expense.

Procedures Bond Amortization Schedule

- 7.1 A bond amortization schedule utilizing the interest method should be prepared to determine the periodic amortization and the adjustments to the bond carrying value.

Timely Recording of Discounts and Premiums

- 7.2 The amortization of bond discounts and premiums should be recorded monthly or, at a minimum, when interest is paid.

8. CURRENT AND LONG-TERM DEBT SUMMARY

Policy A detailed summary of current and long-term debt, accrued interest payable, and interest expense should be prepared and reconciled to the general ledger.

To ensure that all debt activity is being properly recorded on a timely basis, a detailed summary of current and long-term debt balances, accrued interest payable, and interest expense should be prepared periodically and reconciled to the general ledger. This detailed summary should be prepared from amortization schedules, statements from creditors, and internally prepared schedules of debt activity.

Procedures Debt Instrument Activity Summary

- 8.1 A summary of activity for each debt instrument should be prepared. This summary should include the balance of the debt at the beginning of the period, plus any new debt issued during the period, less any principal payments made during the period; the activity in the accrued interest payable accounts including the balance at the beginning of the period, plus any additional interest

accrued during the period, less any interest paid during the period; and a breakdown of the current and long-term portions of the balance of the debt at the end of the period.

Comparison to General Ledger

8.2 The outstanding debt, accrued interest payable, and interest expense accrued as summarized in the schedule prepared above should then be compared to the general ledger. Any discrepancies among the amount taken from the summary and the amounts recorded in the general ledger should be investigated and resolved.

Current Portion of Long-Term Debt

8.3 Finally, the current portion of the debt as summarized above should be compared to the amount recorded on the general ledger. If necessary, a journal entry should be recorded to adjust the current portion of long-term debt to agree with the summary schedule.

9. DEBT COVENANTS

Policy All debt covenants should be reviewed periodically.

In the event that there is a lack of compliance with restrictive debt covenants, a creditor could deem IVGID to be in default of the debt agreement. This in turn could give the creditor causes to demand immediate repayment of the debt. With this in mind, the debt covenants should be reviewed annually so as to determine whether all covenant restrictions have been met. If noncompliance is detected, discussions should begin immediately with the bank or other financial institution in order to avoid foreclosure or recall of the debt.

Procedures Debt Covenant Review Checklist

9.1 The debt covenant section of each debt agreement should be reviewed and a separate review checklist should be prepared for each debt agreement. This checklist should cover all covenants including those requiring the maintenance of certain financial ratios, those requiring the reporting of certain financial information to the bank on a periodic basis, and those limiting the amount of certain expenditures such as capital improvements. These checklists should be prepared in a format that will provide sufficient space for the calculation of each ratio and that can be carried forward for use in subsequent periods.

Frequency of Checklist Preparation

9.2 Annually the checklists prepared above should be completed. All covenants should be reviewed and all required financial ratios should be calculated. A notation should be made on the checklist next to each individual covenant documenting whether or not IVGID is in compliance with that covenant.

Noncompliance with Debt Covenants

9.3 If noncompliance with certain covenants is noted, communications with the bank or other creditor should be instituted. It may also be necessary to obtain a waiver of the debt covenants from the bank. If such waiver cannot be obtained, it will be necessary to classify the related debt as current.



Section XII

Accrued Liabilities

1. MONITORING OF ACCRUED LIABILITIES

Policy The Finance and Accounting Division should monitor and account for accrued liabilities.

Accrued liabilities are items for which a service or benefit has been received and for which the related liabilities are both acknowledged and reasonably determinable, but which are not yet payable, either because of the terms of the commitments or because invoices have not yet been received.

Procedures Establishing List of Expenses

1.1 The Finance and Accounting Division should establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. This list will serve as a reminder and help ensure that all expenses have been identified. Examples of such expenses are:

- Salaries and wages
- Payroll taxes
- Vacation and sick pay
- Deferred compensation
- Professional fees
- Insurance
- Interest

Preparation of Detailed Register

1.2 Once identified, each expense should be maintained in a detailed register.

When and How Accrued Liabilities Occur

1.3 The amount recorded for accrued expenses should be properly measured. Accrued liabilities come into existence with the passage of time or with the occurrence of an event.

Recording the Accrual

1.4 An accountant should prepare a journal entry to record the accrued liability and the matching expense. The preparer should sign or initial the journal entry. The entry should be reviewed and approved by the Controller.

Review of the Account Balance

1.5 At the end of each accounting period, an accountant should review the adequacy of accrued expenses. If any adjustments are deemed appropriate to the account balance, a journal entry should be made to adjust both the accrued expenses and accrued liabilities. This should be reviewed as in 1.4 above.

2. RECONCILIATIONS AND ACCURACY

Policy Detailed records of accrued liabilities should be reconciled regularly with the control account.

Reconciliations should be performed to help ensure the accuracy of the detailed records and the control account.

Procedures **Performance of Monthly Reconciliations**

2.1 A reconciliation should be performed monthly between the detailed register and the general ledger balance. The person performing the reconciliation should not be one who maintains the detailed records and the control account.

Investigation of Discrepancies

2.2 All discrepancies should be investigated on a timely basis.

Supervisory Review of the Reconciliation

2.3 The reconciliation should be reviewed and approved by the Controller.



Section XIII

Human Resources & Payroll Cycle

1. PAYROLL AND PERSONNEL/HUMAN RESOURCES

Policy A system of authorized communication between the payroll and the personnel/human resources departments should be established and maintained.

The personnel department maintains employee files in which employee pay history is documented and withholding authorizations are retained. Changes to standing payroll data, which is processed by the payroll department, are generally initiated by the personnel/human resources department.

Procedures Announcement of Vacancy

1.1 Prior to filling any vacancy for a full-time position or other position designated as management, the Department Head shall submit a job announcement to the General Manager which summarizes the duties and responsibilities of the position and the knowledge, skills, qualifications, and attributes required.

All vacancies in full-time or management positions, except Department Heads, shall be posted by the Human Resources Manager within each major IVGID work area. If the General Manager determines that sufficient candidates exist within IVGID, the General Manager may limit eligibility for the position to current IVGID employees. If there are not sufficient candidates within the IVGID work force, then recruitment shall include external advertisement.

The extent of announcement for non-management temporary, seasonal, and part-time employees shall be determined by the Department Head on a case-by-case basis under guidelines established by the General Manager.

Applications

1.2 All applications must be submitted to Human Resources at IVGID's Administration building so that they may be entered into the Applicant Tracking system and routed to the appropriate departments. Human Resources will keep job applications on file for one year.

Background Checks

1.3 IVGID may conduct the following background checks:

- A determination if applicant was a former IVGID employee
- Past employment verification
- Education verification, credit report, driving record, military record, or criminal record

Employment verification can be accomplished either by telephone or in writing. If the prior employment cannot be verified, the hiring authority should discuss the situation with their manager or

Department Head and determine whether it is reasonable to proceed with the hire.

Offer Letter

- 1.4 Offers of employment for all full-time/year-round and seasonal management positions must be approved by the Department Head, Human Resources, and the General Manager, using the District's standard offer letter format.

Offers of employment for all seasonal, part-time and temporary employees must be approved via the Personnel Action Notice.

Determination of wage ranges/hourly rates

- 1.5 Wage ranges and hourly rates are to be determined using the current year's operating budget, personnel section. If there are any concerns about position placement within the set ranges, discussion and approval should be obtained from the Department Head, Human Resources, and/or the General Manager.

Compensation and Evaluation

- 1.6 Evaluations should be conducted in a timely manner on the approved evaluation form supplied by the Human Resource Department. Evaluations are conducted annually on the employee's anniversary date.

Annual increases in salaries and rates are to be determined by the ratings on the annual evaluation. The ratings are tied to the Salary Increase Guide form prepared by the Human Resource Department.

A one-time, six-month review should be completed for all new hires. No increase in rate is to be awarded at this time. The purpose of the six-month review is to review the new employees work progress and to acknowledge accomplishments.

Vacation and Sick Pay

- 1.7 Vacation accrues from the date of hire and may be taken at the end of six months and is granted according to a set schedule determined by the Human Resource Department.

Eligible employees accrue sick leave beginning with the first day of service. Sick leave accrues at a rate of 8 hours per month. During early December of each year, IVGID will provide an opportunity to each eligible employee to "sell" back to IVGID one-half of their unused sick leave balance, up to a maximum of 48 hours. Such sale will occur at the employee's current hourly rate. Unused sick leave will be forfeited upon termination of employment.

Additional Information

- 1.8 Detailed, additional information can be found in the Personnel Policy Manual prepared and maintained by the Human Resource Department.

2. WAGES AND SALARIES

Policy Payment for wages and salaries should be made only to company employees at authorized rates of pay.

Controls should be established over standing payroll data to ensure that the payroll reflects complete and authorized standing data.

Procedures **Changes in Payroll Data**

- 2.1 All changes to standing payroll data should be authorized in writing including new hires, terminations, pay rate changes, voluntary payroll deductions, and court-ordered payroll deductions.

Authorization of Changes in Payroll Data

- 2.2 An appropriate official outside of the payroll department should authorize changes to payroll data. New hires/terminations should be authorized in writing by the appropriate operating division and the personnel division. The individual employee should authorize voluntary deductions. Pay rate changes should be authorized in writing by the personnel department or the appropriate division head. A copy of all authorization forms for changes to payroll data should be retained in each employee's personnel file.

Comparison of Payroll Data to Personnel Files

- 2.3 Human Resources personnel or an internal auditor should periodically compare payroll data to the personnel files to ensure that all changes have been made accurately and timely and that only authorized changes have been made.

Check Run Process

- 2.4 Payroll pay dates are the 5th and 20th of each month. Time worked from the 1st through the 15th is paid on the 20th of the same month, and time worked from the 16th through the last day of a month is paid on the 5th of the following month.

Out-of-cycle Checks

- 2.5 Out-of-cycle checks are discouraged. If a check is necessary before the next scheduled check run, approval must be obtained in writing from the division supervisor and HR or the Director of Finance, Accounting & IT on the standard payroll prepay request form.

3. TIMEKEEPING

Policy Payment for wages and salaries should be made in accordance with records of work performed.

Controls should be established over the transaction data to ensure that disbursements of company funds are for valid services performed.

Procedures **Maintenance of Time Records**

3.1 For employees compensated on the basis of time worked, records should be maintained on the Kronos system and approved by division supervisors.

Overtime Approval

3.2 All overtime should be approved prior to work by division supervisors.

Reconciliation of Payroll to Supporting Records

3.3 A reconciliation should be performed on transaction data that is the basis of the payroll calculation to supporting records. For commissioned employees, reported sales should be totaled and reconciled with operating sales data.

Payroll Calculations

3.4 Payroll payments should be accurately calculated. Gross pay and payroll deductions should be reviewed to determine accuracy.

4. PAYMENT TO IVGID EMPLOYEES

Policy Payment for wages and salaries should be made only to company employees.

Controls should be established to ensure that only valid company employees receive payroll payments.

Procedures **Distribution of Payroll**

4.1 Individuals who do not prepare the payroll should distribute payroll checks.

Receipt Log for Payroll Checks

4.2 The payroll coordinator should prepare receipt logs for all recreational and utility areas. The employees should sign for receipt of their payroll check. After the employees have picked up all checks, the receipt logs should be returned to the payroll technician. Any checks not picked up within 10 business days should be returned to the payroll coordinator. The payroll coordinator will then mail the remaining checks or contact the employee to determine when the check can be picked up.

Comparison of Employee Check Endorsements to Signatures on File

4.3 Periodically, endorsements on checks or signatures on the receipt log should be compared with employee signatures on file.

Reconciliation of Payroll Bank Accounts

4.4 The payroll bank account should be reconciled monthly by an employee who has no responsibilities for the preparation of the payroll or physical distribution of paychecks.

5. PAYROLL DEDUCTIONS

Policy Payroll deductions should be correctly recorded and paid to the appropriate third parties on a timely basis. Also, related payroll reports to third parties should be submitted on a timely basis.

Controls should be established to ensure that payroll deductions, both compulsory and voluntary, are adequately identifiable in the general ledger and that the payments to the third parties are timely and accurate.

Procedures Recording of Payroll Deductions

5.1 Payroll deductions should be recorded in separate general ledger control accounts.

Independent Check of Payroll Deductions

5.2 Payments of payroll deductions to third parties should be reconciled with the related payrolls by an employee outside of the payroll department.

Review of Payroll Deduction Payments to Third Parties

5.3 Payments of payroll deductions to third parties, including the employer payroll expense portion where applicable, and the related documentation should be reviewed by the Controller to ensure that payments are appropriate and made on a timely basis.

6. QUARTERLY AND YEAR-END REPORTS

Policy Quarterly and year-end reports are to be filed timely within established deadlines by the Payroll Coordinator. All reports must be verified for accuracy.

Procedure Quarterly and Year-end Reports

6.1 All reports must be accurately filed by established deadlines to avoid penalties on appropriate state or federal forms. Any discrepancies should be resolved prior to the filing of a form.



Section XIV

Budget Cycle

1. BUDGETARY CONTROLS

Policy The District staff works with the Board of Trustees to develop the annual budget. The budget is presented at several public meetings and hearings prior to adoption by the Board and submission to the State of Nevada. The budget includes operating plans and capital improvement plans, as well as five-year cash flow projections for all District funds.

The budget serves as a management tool to set appropriate rates and to measure District performance, as well as to ensure future financial stability.

The District adheres to the Local Government Budget Act incorporated within state statutes. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles for all funds.

Procedures Budget Planning

1.1 The Board of Trustees establishes the budget policy for the District. Budget planning begins each year in early November with operating and CIP workshops between management staff and the Board. The Budget Accountant establishes and maintains the budget model. The model is opened to the operating divisions for their yearly budget input.

Preliminary Summaries

1.2 Preliminary program summaries are submitted to the General Manager for review in January. Any changes in rates, personnel, and intercompany charges should be discussed and agreed upon.

Pre-Budget Hearing

1.3 A pre-budget hearing will be conducted in mid-February so that the board can give final general direction to staff for budget development. Shortly thereafter, preliminary budget development is to be completed and the budget model frozen for proof. Finance and Accounting will perform a final test and update to the five-year financial model.

Budget Presentation

1.4 The proposed operating and CIP budget will be presented to the Board of Trustees in mid-March. The Board will give its preliminary approval to staff.

Preliminary Budget sent to State of Nevada

1.5 In early April, the Board of Trustees will communicate their opinions and recommendations to each division. The divisions will make directed adjustments to the budget.

By mid-April, the Finance and Accounting Division will submit the tentative budget to the Sate of Nevada.

By the end of April, the Board of Trustees will give their final approval of the budget.

Final Budget sent to State of Nevada

- 1.6 A special meeting will be held by the Board for final approval by mid-May; and the final budget will be sent to the State of Nevada no later than the last day of the month.



Purchasing Procedures for IVGID

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Purchasing Procedures for IVGID

I. DETERMINATION OF NEEDS

Objective

The primary objective of the IVGID Purchasing Procedure is to ensure all goods and services are procured through the use of appropriate contracts or agreements with terms to protect both IVGID and vendors. All purchasing should be in the best interest of the District, based on funds appropriated for their acquisition within the Board of Trustees approved budget. Purchases will be conducted in an open and competitive basis in order to obtain the best value for the District. Although price shall normally be a major consideration in all purchases, the District will also consider factors such as durability, timeliness, availability, vendor past performance, quality, environmental impact and operating cost.

The primary objective of the IVGID Payment Procedures is to ensure that the Accounts Payable process disburses cash effectively and efficiently. The process should maximize cash flow and contain controls that will make certain transactions are properly authorized, supported, recorded and reported.

Procedures

Methods to Determine Needs

Purchasing requirements, categorized by the type of goods or service, should be determined according to the following methods:

- Inventory replenishment needs should be determined by staff that has responsibility for the specific use or application.
- The need for services that are provided on a recurring basis by the same vendor, such as utilities, telephone, periodicals, or janitorial services, should be determined initially by authorized persons and, thereafter, continuously maintained by designated staff until the end of the fiscal year.
- Determining the need for specialized services, such as insurance, advertising, and legal and auditing services, should be the responsibility of designated individuals overseeing these services for the entire District.



Purchasing Procedures for IVGID

- Responsible individuals within each venue of IVGID should determine routine operating and maintenance goods and services.

Purchasing can be in the form of a purchase order, procurement card or a direct pay invoice. All 3 forms require someone to take responsibility for price, quantity, receipt and approval of the coding for the purchase. All Approval Authority thresholds will be measured by the total value of the transaction at the time of placing the order. Serial purchases to avoid this measure will not be tolerated.

New Vendors

When it is necessary to establish a new vendor, the following information needs to be furnished to the Accounts Payable Technician prior to placing an order:

- Vendor Name – DBA, if applicable
- Vendor contact name
- Physical/Mailing Address
- Vendor telephone number
- Vendor e-mail address

The Accounts Payable Technician will then request the vendor completion of a W-9 form and remit address form. The vendor will also be supplied with the District's NV tax-exemption certificate and a signed W-9 for the District.

Purchase Order Processing

The requestor should obtain a purchase order through the accounting system to identify a purchase commitment has been made against a specific budget line item.

Purchase Orders must be obtained before ordering the services or materials over \$5,000, when no other spending authority has been established. The Purchase Order is numbered automatically by the system and is available to the requestor prior to approval. Copies of the document can be obtained through the Accounting Department.

Purchase Orders are required for any items purchased to process through the Sweetwater Warehouse Inventory. This process allows identification of unit price, quantity and other information in support of the perpetual inventory.



Purchasing Procedures for IVGID

Bid Processes

There are 2 types of bidding processes to consider for local governments:

1. **Purchasing Bids:** Adhere to the laws detailed in NRS 332 Purchasing: Local Government.
 - A. If bid/contract is over \$25,000 but less than \$50,000 then 1) requests must be submitted to 2 or more persons capable of performing the contract or providing equipment, supplies or goods; and 2) Records of all requests for bids received must be kept for at least 7 years after the date of execution of contract.
 - B. Must advertise all contracts for which the estimated amount required to perform the contract exceeds \$50,000 annually. Publication of notice to bid must be 1) published at least once and not less than 7 days before the opening of bids in a newspaper having general circulation in Washoe County 2) be posted on the IVGID internet site every day for not less than 7 days before the opening of bids.
 - 1) Maintain a record of all requests for bids and all bids received for at least 7 years after the date of execution of the contract.
 - 2) The notice must state the nature, character or object of the contract; if plans and specifications are to constitute part of the contract, where the plans and specifications may be viewed. The time and place where bids will be received and opened must also be included in the notice.
 - 3) On-line bidding is allowable – see Statue on requirements (NRS 332.047).
 - 4) Exceptions to requirements for competitive bidding (NRS 332.115) include: items which may only be contracted from a sole source; professional services such as consulting, legal, etc.; additions to and repairs and maintenance of equipment which may be more efficiently added to, repaired or maintained by a certain person; equipment which by reason of the training of the personnel or of an inventory of replacement parts, maintained by the local government is compatible with existing equipment; perishable goods; insurance; hardware and associated peripheral equipment and devices for computers; software for computers; supplies, materials or equipment that are available from contracts with the General Services Administration or another



Purchasing Procedures for IVGID

governmental agency in the regular course of its business; items for resale through a retail outlet operated in this state by a local government or the State of Nevada.

- 5) Procedures to follow for failure to receive responsive bids are defined in NRS 332.148.
- 6) Contract requirements for "Performance Contracts for Operating Cost-Savings Measures" are defined in NRS 332.330-332.440.
- 7) May "join" or use the contracts of local governments located within or outside of State with the authorization of the contracting vendor. This option also applies to contracts of the State of Nevada or another state. (NRS 332.195)
- 8) IVGID Board of Trustees must approve contracts awarded under the bid.

2. **Public Works Construction (CIP) Contracts:** Adhere to the laws detailed in NRS 338. May not divide a project/CIP into segments to avoid public bidding.

1. For all IVGID CIP project budgets exceeding \$100,000 the Engineering Department should be consulted during the planning, design and construction phases of the project.
2. Progress Checklist sheets must be completed.
3. A quarterly report detailing items in NRS 338.1444, Item 3, must be generated on contracts over \$25,000.
4. Projects funded with Federal dollars might result in additional requirements for contracts as specified in the executed grant agreement.
5. Constructability Review is required on projects over \$10,000,000 for projects with new plans and specs per NRS 338.1435.
6. Contracts involving Construction Managers at Risk or Design Build teams have further requirements as detailed in NRS 338.169 and 338.1711 respectively.
7. Public Works projects which involve "Design, Construction, Renovation and Demolition of Public Works" have further requirements as detailed in NRS 338.177 thru 338.200.
8. Projects for "Energy and Environmental Design Requirements" are detailed in NRS 338.1905 thru 338.1908.



Purchasing Procedures for IVGID

A. Construction Projects over \$100,000:

1. Must advertise in a newspaper of general circulation no less than 21 days before bids are to be submitted in Washoe County. (North Lake Tahoe Bonanza is fine).
2. Must have plans and specifications on file by the date of advertisement.
3. Plans and specifications must be available to all interested parties.
4. Place, date, and time of where plans and specifications are available must be advertised.
5. Date, place, and time of when and where the bids will be opened must be advertised.
6. Contract will be subject to Nevada Prevailing Wage requirements through the Labor Commissioner's office.
7. Contract must be awarded to contractor who submits the best responsible and responsive bid.
8. Best bid is not necessarily the lowest; but IVGID must have compelling reasons to award to a higher bidder. As a reference, refer to Case No CV01-05346, Second Judicial Court, and Washoe County (American General Development vs. Washoe Co School District).
9. Contractor must be licensed in Nevada with the appropriate classification and monetary limit.
10. Contractor must be in good standing with Nevada Labor Commissioner's office.
11. 10% bid bond or cashier check in 10% of bid amount is required.
12. Nevada Preference applies on projects exceeding \$250,000 as detailed in NRS 338.
13. IVGID Board of Trustees must award contract for the work.

B. Construction Projects between \$25,000 and \$100,000:

1. Advertising is not required.
2. Must maintain a list of qualified contractors.
3. Solicit bids from at least three properly licensed contractors.
4. May request bids by direct mail, fax or e-mail from the qualified contractors.
5. Contractor must be licensed in Nevada with the appropriate classification and monetary limit.



Purchasing Procedures for IVGID

6. IVGID Board of Trustees must award work.

C. Construction Projects under \$25,000:

1. Advertising is not required.
2. Solicit quotes from at least three properly licensed Contractors.
3. May request quotes by direct mail, fax or e-mail from the qualified Contractors.
4. At least two quotes need to be received in order to evaluate the contract pricing received, but contract should be assigned to the most responsive and responsible Contractor, which may not be based solely on pricing.
5. Contractor must be licensed in Nevada with the appropriate classification and monetary limit.

3. Emergency Bidding not required: If an emergency exists that may lead to impairment of the health, safety or welfare of the public if not immediately attended to, then the bidding process is not required. Emergency will be validated by General Manager, Public Works Director or the Director of Finance. Contracts awarded under emergency conditions must be reported to the Board of Trustees at their next scheduled meeting.

4. Change Orders: Staff is encouraged to request contingency amounts relative to contracts and projects, if they are seeking Board approval. The General Manager or designee can approve additional amounts as a result of change orders, above amounts authorized by the Board of Trustees. The stated limit of this authority is \$50,000 unless said change order increases a contract or project to go above the advertising requirements of NRS 332 and/or 338. Under such circumstances staff is advised to stop and seek legal counsel advice before proceeding with a change order.

II. PLACEMENT OF PURCHASE ORDERS

Objective

Proper approval and a numbered purchase order should be obtained concurrent with the establishment of a firm order or contract to purchase. Purchase orders serve to identify the commitment of amounts to be spent against a budgeted total. They avoid spending the same dollar twice.



Purchasing Procedures for IVGID

IVGID's terms are net 30 days. However, payments will be made earlier in order to take appropriate discounts, avoid penalties, or meet contract agreements such as deposits to place an order, when approved in advance by the Controller.

Communications (phone or data lines), computer hardware and software are handled through the Information Technology Division (IT). All purchase orders that will be charged to the computer equipment object code will be approved by IT.

All purchases that will be charged to the small power equipment object code will be approved by the Fleet Superintendent. The Fleet Superintendent needs to be aware of items that will be maintained, including an interval schedule and need for a parts supplier.

Procedures

Establishment of Purchasing Guidelines

The General Manager, the Board of Trustees Policies, and NRS determine purchasing guidelines that provide the background for approval requirements and procedures for District purchasing. The following purchasing guidelines should be applied:

1. Approval Authority limits are set by a Manager or Supervisor for their venue. Generally increments can be considered at \$1,000, \$2,500, \$5,000 and \$10,000. No stand alone level can exceed the amount requiring General Manager approval; which is currently \$50,000 (as set by NRS 332).
2. All purchases over \$5,000 in a single transaction must use a purchase order, with following exceptions:
 - Established merchant charge cards (i.e. Costco, Raley's or Home Depot).
 - Purchases on account (i.e. Tahoe Supply, Incline Auto Parts, Spitsen Lumber, RadioShack, and Village Ace Hardware).
 - District Procurement card purchases.
 - Payments to utility companies such as Southwest Gas, NV Energy, Waste Management, Independent Sanitation and AT&T.
 - Reimbursements such as petty cash, refunds or employees payments.
 - Recreation instructor payments.
 - General Counsel payments.
 - Bond and Note payments and related debt service payments.



Purchasing Procedures for IVGID

- Employee benefit/payroll related payments
- As directed by Director of Finance to meet business needs, such as those vendors where the Board of Trustees has granted annual or seasonal spending authority

Entering Into Purchase Commitments

Purchase commitments should be entered into to assure an adequate supply or price. All contracts or serial purchase commitments greater than \$50,000 require the approval of the Board of Trustees. The General Manager will be notifying the Board of Trustees for all items over \$25,000. The Board Officers, General Manager or designee should sign all contracts. A designee will be considered based on Approval Authority levels. A projection of requirements for the specified goods or services should be a part of the operating budget. If an item is not budgeted, the supervisor responsible for that venue's budget should review the purchase with the Director of Finance before any commitment is made.

Preparation of Purchase Orders

Purchase order numbers are automatically assigned within the accounting system. Purchase orders should be prepared and contain the following information:

- Name and address of vendor
- Department
- Purchaser
- Ship-to information
- Date the purchase order was opened
- Terms of payment , if other than 30 days net
- Description of the purchase
- Items listed separately with adequate descriptions
 - Specific quantity and unit of measure
 - Unit price (including freight, if being added to inventory cost)
- Accounting code(s) to charge it to the correct activity
- Project codes, if applicable



Purchasing Procedures for IVGID

Copies of Purchase Orders

Contact Accounting for copies of a Purchase Order.

Review of Unmatched Purchase Commitments

On a quarterly basis, a review should be performed by Accounting staff of any commitments that have not been matched with receiving reports or equivalent records of goods or services received. Follow-up should be performed to determine whether or not the goods will be received. If it is determined that the goods or services are not to be received, the purchase orders should be closed and removed from the system.

III. RECEIPT AND ACCEPTANCE OF PURCHASES

Objective

Control should be established over goods and services received as a basis for determining and recognizing approval for payment for goods and services received.

The physical receipt of all purchased goods should be the responsibility of the designated individual authorizing the order. The receiving person should inspect goods for conformity with specifications on the purchase orders or other documents evidencing the order as placed. Counting, weighing, or measuring should be used to verify quantities. Receipt and acceptance of a shipment should be documented with signature and date on a receiving document or packing slips and should then be routed to the Accounting Department.

Procedures

Inspection of All Goods and Services

A designated individual should inspect all goods received for the following:

- Correct delivery point
- Verify the number of containers or quantity
- Verify contents – compare description of goods and quantity per the purchase order
- Inspect for damage or improper functionality
- Remove packing slip, sign and date, and send to the Accounting Department
- Verify cost, if listed on the packing slip



Purchasing Procedures for IVGID

Proper Communication between Venues and Vendors

The originating individual for the purchase should contact the vendor if any order has an obvious discrepancy (physical damage, wrong items, quantity error, etc.), in order to reach an understanding about how to correct the deficiency in an expeditious manner.

Receiving Documentation Sent to Accounting

After inspection, the packing slip should be signed, dated, and sent to Accounting with any noted discrepancies. The Accounting Department matches the packing slip with the vendor invoice. These documents will be scanned and matched with the invoice or purchase order or a direct pay invoice when received.

Inspection and Approval of All Services Received

Services that are received should also be inspected or reviewed by the venue to determine that the work was done in accordance with the purchase order or contract or other definitions of the scope of work. Approval by the venue should be documented generally by e-mail when the invoice has been presented by the Accounting Department.

If the work is of a confidential or highly technical nature, a specific department (e.g. engineering) or individual (e.g. human resources) may wish to review the documentation and approve the services received.

Storing and Controlling of Goods

Inventory, component parts, and other goods should be accounted for and controlled from the time of receipt through utilization. Any charges for usage to the appropriate venue must be noted each month.

Storerooms should be controlled. Access to storerooms should be restricted to authorized personnel. A process should be maintained for all inventory issued from storerooms.



Purchasing Procedures for IVGID

Recording period-end inventory

A venue should identify goods that have been received prior to the end of an accounting period, but have not been matched with the related suppliers' invoices. (See discussion of cut-off procedures at the end of an accounting period.)

IV. ESTABLISHMENT OF ACCOUNTS PAYABLE PROCESS

Objective

All authorized accounts payable transactions should be accurately recorded in the period they occur. Payment of an obligation may lag for processing reasons.

The Accounting Department, which is independent of the ordering and receiving functions, should record assets or expenses and the related liability. The amounts recorded should be based on vendor invoices for the related goods or services. When appropriate, because of the transaction amount, the vendor invoices should be in agreement with an approved purchase order. Furthermore, evidence of receipt of goods or performance of services should be documented before the vendor invoice can be processed for payment. Invoices and related general ledger account coding should be reviewed before posting.

Procedures

Establishment of Invoice Control

All vendor invoices and statements should be mailed directly to: 893 Southwood Boulevard and forwarded to the Accounting Department. Failure to do so may result in delays in recording the invoice and cause misstatement of accounts payable and the related asset or expense accounts. Furthermore, cash discounts may be lost or penalties imposed because of untimely processing.

The ship-to address can be the main warehouse or an individual venue address.

Accounts Payable Time-Line

All invoices must be submitted to the Accounts Payable Department each week. The Accounting Department processes a check run each week. This process assures efficient and timely recording of transactions and payments to vendors.



Purchasing Procedures for IVGID

Request-for-Check forms

A request-for-check form is only used in place of an invoice, for cash advances for trips or seminars, and for special purchase reimbursements. Proper coding and authorization must be completed, before any check request will be processed. The form includes the opportunity to record what, why and when the payment is necessary to be processed out of cycle of the weekly run. It is available on the Intranet.

Travel Authorizations

The venue supervisor must approve a travel authorization form during the planning stages of a trip. The travel authorization for an overnight trip must include a counter signature of the District General Manager or Director of Finance and be filed with the Accounting Office. The travel authorization is not a payment authorization. Payment authorizations for travel are accomplished through the use of an expense report or a check request form.

Reimbursable Expense

IVGID will pay for expenses related to District business only. Meal expenses should be covered at the established per diem rate as specified on the IRS per diem table (contact Accounts Payable for area rates or refer to the table on the intranet). Mileage expenses will be covered at the established IRS rate per mile. If all that is to be reimbursed is mileage, submit the mileage reimbursement form (available on the intranet).

All other travel expense must be reported and reconciled using an Expense Report. A clearly documented business purpose must be reported on the expense report, and all individual expenditures must have a supporting receipt attached (except the meal per diem). Approved expense reports and receipts must be submitted to Accounts Payable within 7 days following the trip. Small receipts should be attached to a blank sheet of paper to allow for easy verification and storage. (See additional information in IVGID's Personnel Policy Manual). A travel authorization form will be used to verify a request for an advance or reimbursement. Anyone receiving an advance for anything more than the per diem, must submit an expense report to reconcile amounts advanced versus actual expenses.



Purchasing Procedures for IVGID

Preparation for Payment of Invoices

Processing for payment requires:

- Vendor invoice
- Acknowledgement of receipt
- Correlation to Purchase Order (if required)
- E-mail approval of scanned invoice
- Each Capital Improvement Project (CIP) item should be processed separately
- One invoice can be used to support multiple CIP numbers

Procedures Performed on Invoices for Payment

- The nature and quantity of goods ordered and the price per the vendor invoice should be compared to the purchase order and/or the receiving document
- Calculations of the invoice, such as totals and extensions of quantities multiplied by unit price, should be recomputed
- The general ledger account coding should be verified

Each venue that incurs freight as a part of acquiring supplies or inventory should adopt a classification and apply it consistently in the budget and in actual transactions. These amounts can be separately expensed as incurred or made part of the laid in cost of the inventory. If added to inventory, freight must be marked up in the retail price, as if it were a base cost.

Procedures for Construction Contracts Paid by Application

The Accounting Department will maintain a running reconciliation of the total authorized contract including change orders, less payments and retained amounts. This reconciliation will be compared to actual payment applications and the control sheet maintained by Engineering to administer the contract. As retention is reduced or reaches the final payment, Accounting will process invoices to release retentions or split previously entered retentions to have the open balance reconcile to the most recent Application Retention.



Purchasing Procedures for IVGID

Guidelines for C.O.D. Purchases

Cash on delivery (C.O.D.) purchases are discouraged. Use of a procurement card should be used whenever possible to avoid C.O.D. purchases. When it becomes necessary for a C.O.D. purchase, a check request should be prepared with proper coding and approval. C.O.D. purchases must be approved in advance by either the Controller or the Director of Finance. When the goods are delivered, the following procedures are appropriate:

- The goods should be inspected by the receiving division
- The bill of lading and the vendor invoice should be immediately marked "paid"
- The documents should be sent to Accounts Payable for scanning
- Accounts Payable should review the documents and compare them to the check request and check that was issued earlier. Any discrepancies should be immediately resolved.

Processing Invoices for Payment

The vendor invoice is ready for payment when the information has been entered into the Accounting system:

- Vendor name and ID number
- Vendor invoice number
- Date of vendor invoice
- Amount of invoice
- General ledger posting date
- Date invoice is to be included in the check run
- Description of transaction
- General ledger account coding and if CIP, project codes
- Discount, if applicable (entered as separate invoice)
- Credits, if applicable (entered separately, noting original invoice)
- Proposed for approval
- Processing is subject to completion of approval

With the posting of the vendor invoice into the accounts payable system, the vendor invoice has been automatically recorded into the accounting system as an asset, expense and a liability.



Purchasing Procedures for IVGID

Check Run Process

Check runs are completed weekly. Invoices are processed throughout the week in advance of each check run. Invoices must be received by Tuesday 9 a.m. to be included in the check run. Checks are then printed, matched, verified, and readied for disbursement. Checks are ready to be picked up or mailed from the accounting office. Any items turned in after a run are entered as soon as possible for the next scheduled processing. IVGID's vendor terms are Net 30 days. Exceptions for distribution must be approved by the Controller.

After the accounts payable checks are printed, a positive pay file is uploaded to the District's business banking account. This upload includes data on the check run including the check number, check date, amount and payee. Positive pay is a way to reduce the risk of fraudulent activity in the District's checking account. It allows the bank to identify unauthorized transactions before the final payment processing. As checks are posted, the banking system verifies them against the uploaded information provided. If the information doesn't match, the checks are held pending review and approval.

Each check run processing will generate a listing of checks issued. This listing will be posted to the District's web site. To enhance accuracy of this listing, there is a second accounting staff person who verifies the list is both complete for each period and considers all checks prepared for issuance regardless of when they are released.

An electronic payment may be initiated in lieu of a check based upon the most efficient and effective method for disbursement. Payments made electronically must be approved by either the Controller or the Director of Finance. These payments will not be listed on the web site.

Out-of-cycle Checks

Out-of-cycle checks are discouraged. Planning ahead should eliminate the need for out-of-cycle checks. If a check is necessary before the next scheduled check run, approval must be obtained from the Controller, Director of Finance and/or the General Manager along with a detailed explanation as to why the check needs to be processed.



Purchasing Procedures for IVGID

Returned Checks

Returned checks should be hand delivered to Accounts Payable for processing. Accounts Payable will research the reasons for the return to determine if the check needs to be forwarded to a new address; or if the payment was made in error, the check should be immediately voided.

If a venue has a check that they have picked up from Accounts Payable for distribution and they no longer intend to issue it, the check should be returned to Accounts Payable immediately so that it can be voided or mailed to the vendor. All checks should be returned to Accounts Payable within two weeks of the issuance date if it is not distributed.

Reconciliation of Accounts Payable General Ledger Amounts

Monthly, the accounts payable and general ledger total should be reconciled. All differences should be investigated and adjustments made as necessary. The reconciliation and the results of the investigation of differences should be reviewed and approved by the Controller. The reconciliation and adjustments should be made by someone other than accounts payable staff.

Review of Debit Balances in Accounts Payable

The Accounts Payable and Administrative Technicians should review the aged accounts payable detail listing at least once a month for debit balances (amounts vendors owe IVGID). In reviewing debit balances, they should ascertain if the District will receive a refund or credit from the vendor or if an offset to another invoice is appropriate. If there is a significant dollar amount of debit balances in accounts payable, this debit balance should be removed from accounts payable and recorded in accounts receivable. The Controller will review and approve adjustments to clear vendor debit balances.

Review of Hold Balances in Accounts Payable

The unpaid accounts payable should be reviewed weekly by the accounts payable staff for all amounts. Invoices with a "hold" status mean the invoice is on hold until the next time invoices are scheduled for payment by running the cash requirement report. In reviewing the holds, the employee should ascertain if these invoices should be



Purchasing Procedures for IVGID

released against other invoices or if the invoice should remain on hold. All holds should be investigated and adjustments made accordingly.

Reconciliation of Accounts Payable Records to Suppliers' Records

Accounts payable records should be reconciled monthly by making a comparison with vendor statements. Any differences should be analyzed and explained. A copy should be immediately obtained of any invoice(s) that is past due. Once received, proper approval must be obtained, and the invoice paid as soon as possible. Also, copies should be obtained of any credit memos that have not been recorded. No payments to vendors will be made from a statement. The District will pay only original invoices.

Sales and Use Tax

The Nevada Revised Statutes have granted IVGID Nevada sales/use tax-exempt status. Therefore, purchases delivered within the State of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K. If a vendor requests further verification of the District's exempt status, a copy of the letter from the State of Nevada, Department of Taxation is available on the Intranet.

V. PROCUREMENT CARD PROGRAM

Objective

The procurement card program is a fast and flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an efficient and effective method for purchasing and paying for items. The procurement card has single purchase limits and monthly total credit limits assigned to each cardholder.

The card is to be used for official purchases; primarily goods and services but includes official travel. The cards will be issued in the employee's name and have the Incline Village General Improvement District's sales tax ID number clearly indicated on the card.

The procurement card program is intended for infrequent or one time vendor transactions. Any exception requires the approval of the Controller. There are several vendors who only provide online services and therefore require this form of payment.



Purchasing Procedures for IVGID

Venues buying from these vendors are expected to monitor that use of procurement card remains viable over the longer term as opposed to establishing a charge privilege.

Procedures

Approval of cards

Individual cards will be issued to employees upon approval by their supervisors, the General Manager or Director of Finance. The General Manager or Director of Finance will sign off after all other approvals are obtained. Approval is authorized by completion of an application form, complete with signatures or approvers and the card holder.

The following summarizes the key information needed on the application form:

- Name of employee
- Short e-mail address
- Credit limit and single purchase limit
- Designated purchasing group, which indicates who is approver for charges
- Default account coding

Individual card limits are established at this time, including both a single purchase limit and accumulated total credit limit. The Procurement Card Administrator within Accounting is responsible for ordering new cards. The administrator will also oversee the balancing and payment of the monthly statement. One-time limit over-rides can be arranged by the Procurement Card Administrator with supervisor approval and approval by the Controller or Director of Finance Director or the General Manager.

Issuance of cards

Each individual cardholder must sign the cardholder agreement including the receipt section in the presence of the Procurement Card Administrator. By signing this agreement, the employee indicates that he/she understand the intent of the program, and will comply with all guidelines of the program.



Purchasing Procedures for IVGID

Cardholder responsibilities

The cardholder must use the procurement card for legitimate business purposes only. Misuse of the card will subject the cardholder to disciplinary action in accordance with IVGID's policies and procedures. The cardholder must:

- Ensure the card is used for legitimate business purposes only.
- Maintain the card in a secure location at all times.
- Not allow other individuals to use their card without prior approval.
- Adhere to the purchase limits and restrictions of the card and ensure that the total transaction amount of any single transaction does not exceed the authorized threshold.
- Obtain and reconcile all charge slips to the Works program listing and provide this documentation to the Procurement Card Administrator. Detailed itemized receipts are required for meals. Approval, comments and account allocation must be provided electronically in the Works program
- Attempt to resolve disputes of billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by completing the required Bank of America online Dispute Form. The Procurement Card Administrator can assist with this process.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent cardholder statement.
- Not accept cash in lieu of a credit to the purchasing card account for returned items.
- Immediately report a lost or stolen card to the Procurement Card Administrator.
- Immediately report fraud to the Procurement Card Administrator who will contact the Bank of America Fraud Department
- Cardholder must provide comments in the Works program to explain each charge.
- Approve the account coding as a part of the sign off process (note each card holder has a default code that may or not apply to each transaction).
- Send invoices immediately to the procurement card administrator in the Accounting office.

Monthly statement review and approval

All charges are to be verified online through the Bank of America Works system. The card administrator can supply each cardholder with a copy of his or her monthly



Purchasing Procedures for IVGID

statement upon request. A copy of each receipt properly approved and coded should be returned to the administrator within three business days of the transaction's occurrence. Food purchases should include the names of all persons involved.

Occasionally no receipt will be available. If this happens, a note should be written explaining the purchase, including proper approval and coding.

Monthly statement payment

The Procurement Card Administrator will pay all charges. The monthly cut off for monthly statements usually is the 27th of the month. Payment is made in the form of a bank wire transfer or by a similar electronic payment method.

Purchasing Card Maintenance and Closure

All contact with Bank of America for card set up, maintenance and closure will be handled by the Purchasing Card Administrator who is located in the Accounting office.

The Procurement Card Administrator is required to close an account if a cardholder transfers to a different department, moves to a new job in which a purchasing card is not required, terminates employment, or misuses his/her card.

A request for closing a cardholder account will be submitted to Bank of America by the Procurement Card Administrator. When an account is closed, the credit card must be returned to the Procurement Card Administrator.

Sales and Use Tax

The Nevada Revised Statutes have granted IVGID sales/use tax-exempt status. Therefore, purchases delivered in the State of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K and should be on the face of the credit cards. If a vendor requests further verification of the Districts exempt status, a copy of the letter from the State of Nevada, Department of Taxation can be faxed or mailed to them. Copies of these letters can be obtained from the Procurement Card Administrator or on the Intranet.



Purchasing Procedures for IVGID

General Ledger Posting

The Procurement Card Administrator will complete a spreadsheet on a monthly basis of all amounts, coding, and descriptions of purchases. After balancing is complete, these amounts must be posted immediately to the correct financial period in our general ledger.

VI. PURCHASE CUT-OFF

Objective

In order to meet both the completeness, occurrence and rights and obligations assertions for financial reporting, all the related liabilities and expenses for goods or services received during the accounting period should be posted to that same accounting period.

Procedures

Procedures for Proper Purchasing Cut-Off at End of Accounting Period

It is imperative all assets, expenses and liabilities are recorded in the period in which they occur. Time delays in receiving and processing vendor invoices for goods and services can cause recording delays. The liabilities for these delayed goods and services in a subsequent accounting period are considered a misstatement. They are unnecessary and should be avoided. The following assures that a timely and a proper purchasing cut-off is achieved. The following procedures should be observed:

1. Closing of the accounting records will be delayed for a few days following the month end to allow for receipt and processing of vendor invoices. The Service and Supply Close and Final month-end close is completed on an announced schedule to inform necessary parties of the need to process information in a timely manner.
2. Invoices that are received at the end of each month should be immediately sent to accounts payable for processing. Invoices are processed and recorded to the general ledger according to the invoice date unless otherwise noted by the venue along with a valid reason for using a different date. Any invoices received after the Final month-end close are recorded in the current open month.



Purchasing Procedures for IVGID

3. Additional time will be planned to accommodate the year end close prior to the audit process getting started.

VII. RETURN OF GOODS TO VENDORS

Objective

Return of goods to suppliers should be adequately controlled, documented, and recorded.

The return of goods should be approved and documented by each venue or the receiving division. Follow-up with the supplier should be made to ascertain that the supplier recognized the return of goods. Returns should be monitored until the credit or a replacement product has been received.

Procedure

Shipment of Goods Back to Vendor

When each venue has goods to return to a vendor, a record should be maintained recording the description of merchandise, vendor, quantity, reason for rejection, and date returned. If vendor approval is required before a return can be sent, that authorization should also be recorded.

The venue should call the vendor and shipping company to arrange for return. A credit memo should be requested to be sent to accounts payable. Notice should also be given to accounts payable for the return or if a replacement item will be sent. The resulting credit memo will be handled in the same manner as the original invoice, including the accounting code, signature and approval for processing.

VIII. ADVERTISING

Objective

There are three primary types of advertising that the District processes on a regular basis – classified ads, legal ads, and display ads.

Classified advertising will be used primarily by HR for employment situations. Each division will work with the HR Division on all employment advertisings prior to placement.



Purchasing Procedures for IVGID

Legal advertising will be primarily used by the General Fund and/or the Engineering Division to satisfy the District's legal requirements. General Fund advertising is done on the authority of the Clerk for the Board. Engineering is done by the Contracts Administrator.

All other venues will primarily use advertising to present their products or services in a variety of print or electronic forms. Any use of the District's web site for the carousel or News and Events section should be done by contacting the District's Web Coordinator to determine if there is a capacity to place the message in house. All other forms of media placement will be under the review or approval of the District's Marketing Manager.

Any venue placing advertising for an amount exceeding that line item in the budget, should discuss the transactions in advance with the Director of Finance or the General Manager.

Any advertising placed for payment by trade instead of cash, must follow all documentation and reporting requirements, in addition to recording how trade was issued in exchange for the media placements. Trade advertising should also be reviewed at each season end for analysis of the degree of usage and effectiveness. Once this is determined, consider the need to receive a W-9 for any individual with over \$600 in value. This will provide the proper information for 1099 reporting at year end.

Procedure

Ad preparation and placement

Each venue must contact the HR Division on employment advertising. The Marketing Manager should be advised of all media placements for products or services. A purchase order must be issued before the advertising is placed when the amount exceeds \$5,000 for a single item. When an exact amount of the ad is not known, an estimate will be used. The purchase order number should appear on the tear sheets and invoices.

Each venue has separate object codes for regular advertising and those placed in trade.



Purchasing Procedures for IVGID

All advertisements shall be proofread by the venue placing the media before being finalized and approved for processing by the vendor. Each should retain proof of this advance review and approval. Any media content that has the potential to conflict with the IVGID marketing brand must be cleared in advance by the Marketing Manager.

At the time the venue receives the advertising invoice, they should immediately approve it for payment by providing the purchase order number along with their signature, current date, a proper coding. The invoice should then be forwarded to Accounting for payment.

X. TIPPING

Objective

Tipping is a reasonable expense of the District but should be limited through the following guideline.

Procedure

Limitation of food tips

Food tips should not exceed 20% of your food charges. Discretion is advised to consider the level of service matches the tip.

XI. Handling instructions for Specific Goods and Service Types

Office Supplies

All office supplies should be purchased through Office Max which takes advantage of our governmental discount. To receive a sign-on and password, please contact the Accounts Payable Technician to assist getting a venue account with Office Max. Office supplies are ordered by each venue based on their need. The minimum order value should be considered to receive free shipping.

Janitorial Supplies

All janitorial supplies should be purchased by our Buildings Maintenance staff and ordered through the approved vendor. The District has "joined" several buying groups to obtain a variety of products. No items inventoried at the Sweetwater Warehouse may be purchased independently without review by Building Maintenance staff.



Purchasing Procedures for IVGID

Fuel Purchases

Fuel purchases are ordered by our Fleet personnel and golf personnel. The District has “joined” a buyer group that receives quotes regularly from a pool of suppliers. This process pre-qualifies the product and the prices.

IT Peripheral Equipment

This category includes printers, scanners, monitors, laptops, tablets, computers, security equipment, telephones, audio, cameras, televisions, fax machines, and copiers. All purchases are handled by IT to take advantage of our State discounts. Copier orders and maintenance are handled by IT. IT handles all printer orders, installations, and paperwork. IT is responsible for verifying the compatibility between all communications equipment and our computer equipment and systems. This assures proper licensing and support.

IT Licenses and Contracts

All technology related items are handled by IT including computer licenses, software licenses, radio licenses and maintenance contracts. Contact the IT department for further information on licensing or maintenance. Many of our products can be purchased under government pricing agreements.

Specialty Chemicals and large quantity supplies

Opportunities to “join” other local government purchasing contracts will be explored to reduce costs or get other favorable terms.



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1. GENERAL PROVISIONS

1.1. Purpose

These policies are adopted by the Board of Trustees to carry out Incline Village General Improvement District's (District) level one policy statement to adopt uniform personnel policies that will enable each employee to make his/her fullest contribution to the programs and services of the District. There will be no practice statements or categories associated with these personnel policies due to their high level of importance.

1.2. Scope

In cases where the application of these policies would conflict with a collective bargaining agreement that is in effect between a recognized employee organization and the District, the provisions of the collective bargaining agreement will govern. In all other cases, these policies will govern. Nothing in these policies is intended to supersede applicable state or federal laws or administrative regulations related to personnel matters. These policies apply to all employees unless otherwise stated.

1.3. Administration

The District reserves the right to change these personnel policies at any time, upon approval by the Board of Trustees, excluding any Federal or State regulations that need to meet compliance. Nothing contained in these policies is intended to confer any property right in continued employment or imply a contract of employment.

All employees of the District are expected to read and familiarize themselves with the contents of these policies. A hard copy of the approved policies is available in every department of the District as well as being available on the District's Intranet.

All changes, revisions, additions, and deletions of these policies will



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be approved by the Board of Trustees and communicated to employees through their Department Head.

Whenever feasible, the District will inform employees of proposed revisions to the adopted policies prior to requesting Board approval of the proposed changes.

1.4. **Administrative Directive**

The Director of Human Resources, through the General Manager, will have the authority and the duty to develop and communicate administrative directives, interpretive memoranda, and other administrative procedures to execute these policies, and to implement the District's personnel program on a consistent basis. Department Heads, through the General Manager, may implement, revise or rescind departmental policies and procedures specific for an individual department, where necessary for the proper administration of the department that are consistent with these policies.

1.5. **Change of Address**

It is the responsibility of each employee to keep the District informed, in writing or by email, of current address, telephone number, emergency contact, change of name, and any other information relating to employment status.

1.6. **Personnel Files**

1.6.1. Maintenance of Personnel Files

The District maintains a master personnel file for each employee. An employee's supervisor or manager may elect to maintain copies of documents and agrees to return department files to human resources when the employee terminates. If copies of documents are maintained, they must be kept in a secure, locked cabinet and kept confidential. The

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Human Resources master file may contain the following but not limited to: employment application, resume, offer letter, job description, list of property issued; employment history within the District; performance evaluations, all disciplinary actions including performance improvement plans, verbal warnings, written reprimands, suspensions, notice of termination or elimination, and last chance agreements. At the time of hire, each new employee will complete all government-required documentation, including documentation required for the legal right to work in the United States, an I-9 form, all District- required documentation, and when applicable, documentation for benefit plan enrollments, including eligibility of spouse, domestic partners and dependents, and beneficiary designations. Employees are required to notify Human Resources of any changes in eligibility of spouse, domestic partners and dependents for covered benefits and changes in beneficiary designations. Where required, the employee is responsible for providing a copy of his/her driver's license or other required license or certificate, including proof of fingerprinting. Additionally, an employee must notify his/her supervisor or manager of any suspension, restriction, or revocation of his/her driver's license, permit, or other license or certification required for the performance of his/her assigned job.

1.6.2. Employee Access

An employee may view the contents of his/her personnel file upon request. All inspections must be conducted in the presence of a Human Resources employee. An employee may request copies of any or all documents in his/her file, but may not remove any documents from the file.

1.6.3. Negative Information

The District will not put negative or derogatory material in an employee's personnel file unless the employee has had a reasonable opportunity to review the material beforehand. The

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District will require the employee to sign such material to indicate they have reviewed it. If the employee refuses to sign such material, the District may place it in the employee's personnel file with a dated notation that the employee refused to sign such material after having been given an opportunity to do so. Whenever possible, another supervisor or manager should be used as a witness to the employee's refusal, and should co-sign the entry along with the originating supervisor.

1.6.4. Employee Information Submitted

Statements by an employee, submitted in rebuttal to adverse material placed in his/her personnel file, will be included in the employee's personnel file. The District may place other information submitted by the employee in the personnel file if the District finds that such information is relevant to the employee's work history with the District.

1.6.5. Verification of Employment

Upon a request for verification of employment, the District will provide only dates of employment, base salary, and job titles. The District will not give out an employee's address or telephone number without proper authority; i.e., a written release signed by the employee, a court order, or a subpoena. (See *Section 3.7.2, Providing References*)

1.7. Confidential Information

1.7.1. Identification of Confidential Information

The following types of personal information and employment records concerning current employees, former employees, and applicants for employment that the District maintains are confidential:

1. All information related to an employment application

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including, but not limited to, letters of reference, résumés, or his/her status as an applicant for employment.

2. All information that the District received or compiled concerning the qualifications of an applicant or an employee including, but not limited to, reports by employers, law enforcement officials, or other individuals concerning the hiring, promotion, performance, conduct, or background of applicants or employees.
3. Ratings, rankings, scoring sheets, or remarks by members of an interview team or individual interviewers concerning an applicant or results from any testing or employment screening process.
4. Materials used in employment examinations including answers, rating guides, score sheets, etc., on any written exam or rating criteria for interviews.
5. Information in an employee's file or record of employment which relates to his/her:
 - a. Performance;
 - b. Conduct, including any proposed or imposed disciplinary action taken including performance improvement plans, verbal warnings, written reprimands, suspensions, notice of termination or elimination and last chance agreements;
 - c. Race, ethnic identity or affiliation, ancestry, age, gender, marital status, number and names of dependents, military/veteran status, genetic information, gender identity or expressions, living arrangements, domestic partnership, membership in any organization, political affiliations, sexual

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- orientation, national origin, disability, date of birth, or social security number;
- d. Past or present home address, telephone number, post office box, or relatives; and
 - e. All information concerning the voluntary or involuntary termination of an employee, other than the dates of actual employment.
6. The name of an employee's/former employee's designated beneficiary.
7. All medical information concerning an employee or applicant including, but not limited to:
- a. Pre-employment and post-employment medical and psychological examinations;
 - b. Disability and documentation relating to reasonable accommodation requested or granted;
 - c. Drug testing;
 - d. Pregnancy, doctor's certification and other communication; and
 - e. Any other medical information that an employee or applicant has voluntarily provided or the District has requested.
8. All confidential medical information will be kept in files segregated from other personnel and employment records. Access to such files will be strictly limited to those with a demonstrable need-to-know. This would include:



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- a. Supervisors and managers, regarding necessary restrictions and accommodations in the employee's duties;
 - b. First-aid and safety personnel;
 - c. Government officials investigating compliance with the Americans with Disabilities Act (ADA), as amended, on request;
 - d. State Workers' Compensation office officials; and
 - e. Insurance company employees when the company requires a medical examination to provide health or life insurance (29 C.F.R. §1630.14(c) (1)).
9. All information contained in a confidential investigative file. The investigative files may include but not limited to complaint forms, investigatory reports of alleged policy and/or legal violations including unlawful harassment, discrimination, and related matters, and other District Policy violations and witness statements and interview notes. The District will keep all confidential investigative documentation in files separate from other personnel and employment records with access limited to only those with a demonstrable business need-to-know. When and if it becomes the basis for disciplinary action, it will be part of the file to which the employee has access.

1.7.2. Access to Confidential Information

Confidential information is maintained by Human Resources and may be kept in a secure locked cabinet, secure locked storage space, with restricted access, and/or on-line on a secure server, with password protection when not being used.



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Access to confidential records is restricted to the following, depending on the information requested:

1. The employee;
2. The employee's manager/supervisor, with a business need-to-know, or as needed for a reasonable accommodation, and Director of Human Resources, or designee;
3. Persons authorized pursuant to any state or federal law or court order;
4. Counsel retained by or on behalf of the District; and
5. Any other parties with whom the District has a contractual relationship in order to enable the District to respond accurately and fully to any lawsuit, complaint, grievance, or other statutory appeal filed by or on behalf of an employee or former employee against the District.
6. The former employee within 60 days of separation.
7. An employee's representative with signed release.

1.7.3. Responsibilities

Supervisors and managers are responsible for confidential information entrusted to or routed through them, including books, reports and other confidential material in their care.

Employees should refrain from discussing items from internal meetings, work incidents or other confidential information, with the public or other employees not directly involved with the information. Confidential information will be shared with those on a business need-to-know basis.



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1.7.4. Disposal of Confidential Information

The District will, in accordance with good personnel practices and the District's Retention Schedule, properly dispose of **any** records containing employee or applicant personal or financial information that is not required by law to be retained. An electronic record will be destroyed in accordance with the applicable schedule in a manner that ensures the information cannot be retrieved or reconstructed, including, without limitation, overwriting, degaussing and the physical destruction of the storage media.

The District will determine whether to dispose the confidential information by utilizing an internal process i.e. shredding or by procuring the services of a qualified document destruction contractor.

1.8. Legal Process Serving

The legal process allows for a variety of forms of process to be served upon the District. Following are some the types of legal process and identifies the responsible District representative.

1.8.1. Lawsuit

A lawsuit is any legal action initiated against the District by a third party. The General Manager must be notified immediately and be provided a copy of the lawsuit. District General Counsel must also receive a copy of the lawsuit.

1.8.2. Summons

A summons accompanies legal documents (for example a subpoena or formal complaint) and commands the receiver to make the appropriate response. Upon receipt of a summons for personnel or payroll records, contact should be made with the Director of Human Resources. All other summons for



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records contact should be made with the General Manager.

1.8.3. Service of Criminal Process

In the event of service of criminal process (arrest warrant) upon an employee, the Director of Human Resources or Director of Finance, Accounting & Risk Management should be notified to:

1. Verify the serving officers' credentials;
2. Verify the validity of the arrest warrant; and
3. Arrange for the discreet escort of the employee.

1.8.4. Process Serving regarding District Business

A subpoena being served regarding District business will be accepted by the Clerk to the Board of Trustees, the General Manager, and/or the Director of Finance, Accounting & Risk Management. District General Counsel must also receive a copy of the subpoena.

1.8.5. Process Serving regarding a District Employee

Should a process server attempt to serve a District employee on the job, the server should be informed that the District does not allow its employees to be served while at work. If the process server creates a disturbance or refuses to leave without serving the employee, the Director of Finance, Accounting & Risk Management or Director of Human Resources should be contacted.

1.8.6. Garnishment

A garnishment is an attachment of wages to satisfy a debt between a District employee and a third party. Garnishment



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actions will be processed by Payroll, which also has the responsibility to inform the employee of the action.

All information pertaining to a garnishment will be maintained in a locked cabinet in Payroll until satisfied. Closed garnishments will then be placed in a separate employee's confidential file held in Payroll.

1.9. Related Forms

- Address/Emergency Contact form

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2. EMPLOYEE RELATIONS

2.1 General

It is the policy of the District to provide its employees with a work environment that is free of encumbrances that might interfere with the ability of each employee to perform their respective jobs. Foremost in this basic tenet is the District's intention to deal with each employee fairly and consistently in all employment-related situations.

To accomplish this objective, the District has established and will utilize an open door practice designed to ensure all views and concerns are heard, so that differences of opinion or other views relating to work situations can be dealt with in a timely manner. In all situations, the District will consider its commitment to diversity and equal employment opportunity.

The District insists that each of its employees behave in a manner consistent with its tenet of consistent treatments and its belief in respect for the individual. All business relationships should be above reproach and built on a foundation of trust to minimize bias and maximize consistent and legal business transactions.

These policies apply to all employees unless otherwise stated.

2.2. Fair Employment Practices

2.2.1 *Policy*

It is the policy of the District to provide equal employment opportunity for all applicants and employees. The District does not sanction or tolerate discrimination in any form on the basis of race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, veteran status, or any other classification protected by applicable discrimination laws. The District recognizes the

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fundamental rights of applicants and employees to be assessed on the basis of their qualifications and abilities. Recognition of seniority and current employment with the District may also be considered.

The District will:

1. Recruit, hire, train, and promote in all job classifications without regard to race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, veteran status, or genetic information as well as to ensure that all compensation, benefits, transfers, layoffs, return from layoffs, District-sponsored training and education, social, and recreation programs will be administered in conformance with the District's policy.
2. Comply with all applicable laws prohibiting discrimination in employment including Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Equal Employment Opportunity Act of 1972, the Immigration Reform and Control Act of 1986, the Americans with Disabilities Act, as amended, the Genetic Information Nondiscrimination Act of 2008, the applicable Nevada Revised Statutes (NRS) on Equal Employment Opportunity (NRS 613), and any other applicable federal, state, and local statutory provisions.
3. Provide reasonable accommodation wherever the need for such is known by the District, and/or the applicant or employee indicates a need for such reasonable accommodation, provided that the individual is otherwise qualified to perform the essential functions of the assigned job and the employee's performance of the assigned job duties does not pose a threat to the safety of himself/herself or others.

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4. Hold all managers and supervisors responsible for ensuring that personnel policies, guidelines, practices, procedures, and activities are in compliance with federal and state fair employment practices, statutes, rules, and regulations.

2.2.2 Scope

This policy applies to all persons involved in the operation of the District and prohibits harassment or discrimination by any employee, including supervisors and coworkers, customers or clients of the District, and any vendor or other service provider with whom the District has a business relationship. The District will not tolerate instances of harassment or discrimination, whether or not such behavior meets the threshold of unlawful conduct. While single incidents of alleged harassment or discrimination may not be sufficiently severe or pervasive to rise to the level of being a violation of the law, the behavior is unacceptable and the District does not allow such conduct and may impose appropriate disciplinary action against any employee engaging in such behavior, up to and including termination.

2.2.3 Equal Employment Opportunity Officer Designated

The primary responsibilities for ensuring fair employment practices for the District are promoted and adhered to are assigned to the District's designated Equal Employment Opportunity (EEO) Officer. The District's designated EEO Officer will also serve as the Americans with Disabilities (ADA), as amended, Coordinator, and as such, also has responsibility for coordinating the District's compliance with federal and state disability laws. The Director of Human Resources is the District's EEO Officer.



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2.3. Unlawful Harassment

2.3.1 *Definition*

Unlawful harassment is considered a form of discrimination and is defined as any conduct directed toward another because of that person's race, color, religion, age, gender, sexual orientation, national origin, ancestry, disability, or veteran status, or any other basis that is inappropriate or offensive as determined by using a reasonable person standard. The "reasonable person" standard considers conduct in question offensive.

2.3.2 *Prohibited Conduct*

The District will not tolerate any form of unlawful harassment, including any behavior on the part of employees, volunteers, clients, customers, vendors, etc., that impairs an employee's ability to perform his/her duties. Examples of unlawful harassment include, but are not limited to:

1. Verbal conduct such as derogatory comments, slurs, epithets, or unwanted sexual advances, invitations, pressure for dates or sexually degrading or suggestive words or comments made in person, in writing, via telephone or via electronic means.
2. Visual conduct such as derogatory posters, notices, email, photographs, cartoons, drawings, gestures, leering, or displaying sexually suggestive objects or pictures.
3. Physical conduct such as unwanted touching, impeding or blocking normal movement, or interfering with work or movement.
4. Threats or demands, either direct or veiled, to submit to



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sexual requests in order to keep a job or avoid some job-related loss, and offers of job benefits in return for sexual favors.

5. Retaliation for opposing, reporting, or threatening to report harassment, assisting another employee in filing an unlawful harassment complaint, or for participating in a harassment investigation, proceeding, or hearing.

2.4 Dealing with Allegations of Discrimination and/or Unlawful Harassment

2.4.1 *Process*

Employees or applicants who believe they are being discriminated against or subjected to any form of unlawful harassment by another (e.g. employee, customer, vendor, contractor, etc.) because of their race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, and/or veteran status, as well as those who believe they have witnessed another employee being subjected to discrimination and/or harassing behavior, have an affirmative duty to bring the situation to the attention of the District. Upon hire, employees will be provided a copy of the summarized policy, as well as the opportunity to discuss the policy during the new hire orientation process. In addition, a copy of this policy will be made available to applicants upon request.

2.4.2 *Employee Responsibilities*

Employees who believe they personally are being or have been subjected to discriminatory action and/or are the target of any form of unlawful harassment, or have witnessed any other employee being subjected to discrimination or harassment, should:

1. Identify the offensive behavior to the alleged harasser

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and request that the harasser cease the conduct.

Note: An employee is **NOT** required to talk directly to the harasser or to his/her supervisor. It is **critical**, however, that the employee contact one of the individuals listed in 2. or 3. below if s/he believes s/he is being harassed or has witnessed what the employee believes to be harassment directed to or committed by another employee(s).

2. If the employee feels uncomfortable in speaking directly to the alleged harasser or if the employee requested the harassing behavior to cease, but the request did not produce the results desired, the employee should report the conduct as soon as possible to a supervisor or manager or to the District's designated EEO Officer, the Director of Human Resources.
3. Employees who believe the EEO Officer has engaged in discriminatory or harassing conduct should bring such concerns to the attention of the General Manager. The General Manager will designate an objective person to conduct an investigation of such allegations. Employees may also report the conduct to the Chair of the Board of Trustees or the District's General Counsel.
4. Applicants are encouraged to contact a representative from Human Resources Department or the Director of Human Resources.

2.4.3 Supervisor/Manager Responsibilities

Regardless of whether the employee involved is in the supervisor's or manager's department and regardless of how s/he became aware of the alleged discriminatory and/or harassing conduct, all supervisors and managers **must** immediately report all allegations or complaints of discrimination or unlawful harassment or observations of such

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conduct to a Department Head, or the Director of Human Resources. A supervisor's/manager's failure to immediately report such activities, complaints, or allegations will result in discipline, up to and including termination.

2.4.4 Reporting Requirements

A Department Head is required to report this information to his/her immediate supervisor, the General Manager or the Director of Human Resources, and may not conduct a formal investigation, release findings, or administer discipline prior to this disclosure and without specific authorization to do so.

2.4.5 Investigation

Upon being made aware of allegations or complaints of discriminatory conduct and/or unlawful harassment, the District will ensure that such allegations or complaints are promptly investigated. The District treats all allegations or complaints of discrimination or unlawful harassment seriously and requires all employees to be candid and truthful during the investigation process.

The District will make efforts to ensure that all investigations are kept as confidential as reasonably possible. Due to the sensitive nature of investigations involving unlawful harassment, employees will be strongly encouraged to refrain from discussing the subject content with others, particularly while the investigation is in progress. Employees may be required, upon request to provide information to regulatory agencies and/or the employee's legal counsel. The District will release information obtained only to those individuals with a need to know for the administration of the complaint, or as required by law.

The employee who made the initial allegation or complaint, as well as the individual, against whom the allegation or complaint was made, will be made aware of the final

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determination by the District.

If evidence arises that an employee in the investigation made intentionally false statements, that employee will be disciplined, up to and including termination.

If it is determined that discrimination and/or unlawful harassment has occurred, the District will take disciplinary action against the perpetrator commensurate with the severity of the offense. Such disciplinary action may include, but is not limited to, a verbal and/or written reprimand, counseling, transfer, suspension without pay, and/or termination. The District will also initiate action to deter any future incidents of discrimination or harassment from occurring.

With regard to disability-related complaints, the EEO Officer (when appropriate, working with the complainant) will propose a resolution to the complaint based upon the findings of such investigation. Such resolution will include reasonable accommodation when the District determines that such a reasonable accommodation can be provided by the District.

2.4.6 Training

The District will provide periodic training to all employees on the prevention of discrimination and unlawful harassment. All new employees will be provided a copy of the summarized policy upon hire and the contents will be discussed during the new hire orientation process.

2.4.7 Prohibition Against Retaliation

Retaliation is adverse treatment which occurs because of opposition to unlawful workplace discrimination and/or harassment. The District will not tolerate any retaliation by management or by any other employee against an employee who exercises his/her rights under this policy. Any employee who believes s/he has been retaliated or discriminated against



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in any manner whatsoever as a result of having filed a complaint, assisted another employee in filing a complaint, or participated in an investigative process should immediately notify the Director of Human Resources. The District will promptly investigate and deal appropriately with any allegation of retaliation.

2.5 Employee Bullying

2.5.1 *Definition*

The District defines bullying as repeated mistreatment of one or more persons by one or more perpetrators that takes one of the following forms but not limited to:

1. Verbal abuse;
2. Offensive conduct/behaviors (including nonverbal, physical, and cyber bullying) which are threatening, humiliating, or intimidating; or
3. Workplace interferences, such as sabotage, which prevents work from getting done.

2.5.2 *Purpose*

The purpose of this policy is to communicate to all employees, including supervisors and managers, that the District will not tolerate bullying behavior. Employees found in violation of this policy may be subject to disciplinary action.

2.5.3 *Prohibited Conduct*

The District considers the following types of behavior examples of bullying:

1. *Verbal Bullying*: Slandering, ridiculing or maligning an employee or his/her family; persistent name calling

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which is hurtful, insulting, or humiliating; yelling, screaming, shouting, and cursing, chronic teasing; belittling opinions or constant criticism.

2. *Physical Bullying*: Pushing, shoving, kicking, poking, tripping, assault threat or implied threat of physical assault, damage to an employee's work area or property.
3. *Nonverbal Bullying*: Nonverbal threatening gestures or glances which convey threatening messages; threatening actions; socially or physically excluding or disregarding a person in a work-related activity.
4. *Cyber Bullying*: Repeatedly tormenting, threatening, harassing, humiliating, embarrassing, or otherwise targeting an employee using email, instant messaging, text messaging, or any other type of digital technology.
5. *Workplace Interference*: Making unreasonable work demands, sabotaging which prevents work from getting done; making false accusations of wrongdoing; deliberately tampering with a person's work area or property; assigning menial tasks outside of a person's normal job duties.

2.5.4 Dealing with Allegations of Bullying

1. *Process*

Employees who believe they are being bullied by another (e.g. employee, customer, vendor, contractor, etc.), as well as those who believe they have witnessed another employee being subjected to bullying behavior, have an affirmative duty to bring the situation to the attention of the District by informing his/her supervisor, manager or Department Head.

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2. *Supervisor/Manager Responsibilities*

A supervisor/manager is required to address the inappropriate behavior and report this information to his/her Department Head, or the Director of Human Resources as soon as possible.

3. *Investigation*

Upon being made aware of allegations or complaints of bullying, the District will ensure that such allegations or complaints are investigated where deemed necessary.

The District will make efforts to ensure that all investigations are kept as confidential as reasonably possible. The District will release information obtained only to those individuals necessarily involved in the investigation and the administration of the complaint, or as required by law.

The employee who raised initial concern, as well as the individual against whom the concern or allegation was made, will be made aware of the final determination.

If it is determined that bullying has occurred, the District will take appropriate action.

2.5.5 Prohibition Against Retaliation

The District will not tolerate any retaliation by management or by any other employee against an employee who exercises his/her rights under this policy. Any employee who believes s/he has been retaliated or discriminated against in any manner whatsoever as a result of having filed a complaint, assisted another employee in filing a complaint, or participated in an investigative process should immediately notify the Director of Human Resources. The District will promptly investigate and deal appropriately with any allegation of

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retaliation.

2.5A Disciplinary Actions Taken Under Ordinance 7 for Misconduct

2.5A.1 Statement of Purpose

The purpose of this policy is to provide IVGID's professional staff with direction from the IVGID Board on what it considers to be appropriate penalties under Ordinance 7 for misconduct by those using IVGID's recreational facilities. In promulgating this policy and adopting Ordinance 7, the Board's overriding goal is to guarantee a pleasant user experience for all of our customers. This policy and Ordinance 7 should be used only in the extreme situations laid out below in Section III, to penalize behavior that does not result in the actual decrease in enjoyment of use by other customers.

While this policy has been prepared primarily for IVGID's recreational facilities, it is also applicable to its Public Works and Administrative facilities as well such that should an abuse occur that is defined below, at Public Works, and the customer and/or guest is a recreational pass holder, their privileges may be suspended in accordance with this policy.

2.5A.2 Behavior that affects the ability of our residents and guests to enjoy IVGID's Recreational Facilities

a. Physically Abusive Behavior

1. IVGID will not tolerate physically abusive behavior directed towards its recreational customers and guests by other recreational customers and/or guests. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a

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minimum of three (3) months and a maximum of three (3) years;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of three (3) years with no maximum suspension.

Physical abusive behavior determination is left to the sole discretion of IVGID.

2. Likewise, IVGID will not tolerate any behavior that is intended to communicate a threat of physical abusive behavior directed towards its customers and guests by other recreational customers and/or guests. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month and a maximum of one (1) year;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of six (6) months with no maximum suspension.

Threatening of physical abuse determination is left to the sole discretion of IVGID.

- b. Verbal Attacks. A Verbal Attack (see Definitions below) directed at a customer or guest shall result in a suspension of

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recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month and a maximum of three (3) months;

Second time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of six (6) months with a maximum suspension of one (1) year;

Thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) year with a maximum suspension of three (3) years.

- c. Chronic Rule Breaking. IVGID has adopted rules that govern the use of its recreational facilities. When users violate those rules it often impacts the ability of other users to enjoy IVGID's facilities. Therefore, chronic violation of IVGID's facilities' rules may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of two (2) weeks and a maximum of one (1) month;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of three (3) months

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with a maximum suspension of one (1) year.

- d. Damaging IVGID real property and chattel. IVGID takes great pride in its recreational assets. IVGID acknowledges, however, that one consequence of sports is that recreational assets are often damaged in the ordinary course of their use. Chronically damaging AND/OR intentionally damaging IVGID's recreational assets, however, may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of two (2) weeks and a maximum of six (6) months; reimbursement of said damage maybe expected.

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of three (3) years.

- e. Profanity. The use of profanity (see Definitions below) demonstrates poor manners. And, although it is not in IVGID's purview to legislate manners, chronic profane language and/or gestures may negatively impact IVGID's customers' enjoyment. Therefore, chronic profane language and/or gestures made in the vicinity of IVGID's residents and/or guests who take offense at such language/gestures may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or*

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all recreational venues i.e. golf, ski, parks, etc.) for a minimum of two (2) weeks and a maximum of one (1) month;

Second time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of two (2) months;

Thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of three (3) months.

- F. Abuse of Recreational Privileges. IVGID provides access to its recreational venues via the rules established in IVGID Ordinance 7. Chronic abuse of and/or failure to abide by the rules in Ordinance 7 may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of two (2) weeks and a maximum of six (6) months;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of three (3) years.

- G. The National Ski Area Association (NSAA) "Your Skier Responsibility Code". Because of the dangers involved in the sport of snow skiing and/or snowboarding, Diamond Peak (as



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well as most ski resorts in the United States) has adopted the "Your Skier Responsibility Code". Diamond Peak's Your Responsibility Code imposes additional responsibilities on skiers/ snowboarder at Diamond Peak, and establishes penalties for when those responsibilities are not met. The IVGID Board of Trustees expressly approves the Diamond Peak "Your Skier Responsibility Code".

2.5A.3 Behavior directed towards IVGID's Staff

The IVGID Board of Trustees strongly recommends that every member of IVGID's staff, who is customer-facing, receive customer service training on how to deal with irate and verbally abusive customers. This training will provide, in great detail via role playing, how to handle the aforementioned situations/customers. It is incumbent upon each member of the IVGID Staff to make their very best efforts to neutralize this behavior to the very best of their ability as this is the intent of the aforementioned training.

In the event that the behavior continues, IVGID Staff has been trained to remove themselves from the situation, elevate the situation to the next level of supervision, and document their experience, in writing, in as much detail as possible. Only in the following rare cases should staff consider applying the punitive measures established by Ordinance 7 and this Policy for behavior that affects staff but not IVGID's customers' enjoyment of IVGID's facilities:

a. Physically Abusive Behavior

1. IVGID will not tolerate physically abusive behavior directed towards its staff. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (maybe venue specific and/or

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all recreational venues i.e. golf, ski, parks, etc.) for a minimum of three (3) months and a maximum of three (3) years;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a minimum of three (3) years with no maximum suspension.

2. Likewise, IVGID will not tolerate any behavior that is intended to communicate a threat of physical abusive directed towards its staff. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) as follows:*

First time a penalty is imposed: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a minimum of one (1) month and a maximum of one (1) year;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a minimum of six (6) months with no maximum suspension.

- b. Verbal Attacks. The IVGID Board expects its staff to be trained with appropriate ways to address and mitigate situations where a customer, resident or guest verbally abuses a staff member. And, while the Board anticipates that customer service training will also address how to deal with verbal attacks made against staff members, providing good customer service need not extend to IVGID's staff continually tolerating verbal attacks. Therefore, chronic verbal attacks directed at an IVGID staff member may result in a suspension of recreational



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privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month and a maximum of three (3) months;

Second time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of six (6) months with a maximum suspension of one (1) year;

Thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) year with a maximum suspension of three (3) years.

2.5A.4. Matters left to the discretion of the Recreational Venue Manager

The IVGID Board of Trustees acknowledges the distinction between misconduct that may result in the suspension of recreational privileges for a specific period of time, and misconduct that leads to removing a customer from a recreational venue. The Board of Trustees leaves it in the discretion of each individual recreational venue manager to develop reasonable policies and procedures for asking a customer to promptly (i) discontinue their use of the venue and (ii) leave the premises for the remainder of the day, (iii) penalty to be determined by management.



Policy # 2.5A Disciplinary Actions Behavior Incident Report

Date: _____

Customer Name & Address : _____

Employee Name and location of incident: _____

The observed behavior below on _____ is considered unacceptable:
date

- Physically Abusive Behavior
- Verbal Attack
- Chronic Rule Breaking
- Damaging IVGID real property and chattel
- Profanity
- Abuse of Recreational Privileges
- Disobeying the "Your Skier Responsibility Code"
- Other: _____

Details: _____

Use additional pages as necessary to complete information.

Reported to supervisor: _____
Date Signature of Employee

Date Supervisor/Manager/Director



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2.5A.5. Criminal Behavior

With respect to potential criminal activities of our residents and guests that do not fall clear under this Policy, the Board of Trustees acknowledges that County, State and Federal laws should dictate all appropriate penalties.

2.5A.6 Definitions

For purposes of this Policy, the following terms shall have the following definitions:

- a. **“Chronic”**: Repeated on numerous occasions. For purposes of this Policy, IVGID shall take the following steps to determine the existence of “Chronic” misconduct:
 1. IVGID staff has sent the bad actor a written notice setting forth the inappropriate behavior and the consequences of continued misconduct, AND
 2. The misconduct has continued after such written notice, AND
 3. The Senior Manager of the recreational venue where the misconduct has most recently taken place holds a sit-down meeting with the bad actor to review in person the inappropriate behavior and details the consequences of continuing such inappropriate behavior¹, AND
 4. The subsequent continuation of that misconduct may be considered to be “Chronic”.
- b. **“Profanity”**: Words and gestures that a reasonable person would find outrages his or her moral or physical senses.
- c. **“Verbal Abuse”**: A negative defining statement told to the

¹ For purposes of determining “Chronic” misconduct, if the senior manager who is tasked with hold a “sit-down” meeting with a bad actor is, after good faith attempts, unable to carry out such meeting because the bad actor refuses or is unable to attend, then sending a second letter to the bad actor setting forth the misconduct and the consequences of continued misconduct shall suffice.



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person or about the person or by withholding any response thus defining the target as non-existent. Verbal Abuse includes but is not limited to withholding, bullying, defaming, defining, trivializing, harassing, diverting, interrogating, accusing, blaming, blocking, countering, lying, berating, taunting, put downs, abuse disguised as a joke, discounting, threatening, name-calling, yelling and raging.

- d. **“Verbal Attack”**: Is to ridicule vehemently with pure language and gestures. A Verbal Attack is an extreme form of verbal abuse. It most often includes yelling or raging. A Verbal Attack need not include Profanity, but profanity alone, even if directed at a person, does not constitute a Verbal Attack.

2.6 Employment Disabilities

2.6.1 *Purpose*

The District recognizes that the preceding sections of its personnel policy relating to fair employment practices encompass its commitment to fair and equitable treatment of all employees and applicants, including those with disabilities. The District also recognizes that there are specific issues relating to individuals with disabilities that must be individually addressed. The District acknowledges its responsibility to ensure that individuals in the workplace can efficiently and safely perform the essential functions of their jobs without posing a direct threat to themselves and others.

2.6.2 *Policy*

It is the District’s policy to comply proactively with the applicable employment provisions of disability laws, including the ADA, as amended. The District does not tolerate discrimination against any qualified individual with a disability in regard to any terms, conditions, or privileges of employment and prohibits any type of harassment or discrimination based on the physical or mental disability, history of disability, or

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perceived disability of an individual holding or seeking employment with the District.

The District is committed to provide reasonable accommodation wherever the need for such is known to the District or whenever the employee or applicant indicates a need for reasonable accommodation, provided that the individual is otherwise qualified to perform the essential functions of the assigned job and the employee's performance of the assigned job duties does not pose an obvious threat to the safety of him/herself or others.

2.6.3 Determination of Disability

In determining whether an employee or an applicant has a disability under the law, the employee/applicant must have a physical or mental impairment that substantially limits one or more life activity, have a record of such impairment, or is regarded as having such impairment. Major life activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, concentrating, thinking, communicating, and working. A major life activity also includes the operation of a major bodily function, including but not limited to, neurological, brain, respiratory, circulatory, endocrine, and reproductive functions.

2.6.4 Disability-Related Inquiries

The District will adhere to the provisions of applicable laws regarding an employer's limitations on making disability-related inquiries or requiring medical examinations at each of the three stages of the employment process: pre-offer, post-offer/pre-employment, and employment.

The District's restrictions regarding disability-related inquiries and medical examinations apply to **all** employees/applicants, whether or not they have disabilities. A disability-related

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question to an applicant may be a violation of law, even though the applicant may not have a disability.

The District may require the employee to provide a fitness-for-duty certification from an appropriate medical provider whenever the District has reason to believe the employee may be unable to perform the essential functions of his/her job.

2.6.5 Confidentiality of Medical Records

The District will treat any medical information obtained from a disability-related inquiry or medical exam, as well as any medical information voluntarily disclosed by an employee, as a confidential medical record. Confidential medical records also include medical information from voluntary health or wellness programs. The District will share such information only with appropriate supervisors, managers, first aid and safety personnel, and officials investigating compliance claims on a need-to-know basis. Such information may be disclosed to appropriate District personnel or outside consultants and attorneys in relation to any employment issue between the employee and the District, if the medical records are relevant to any such dispute. Any medical information will **not** be kept in the employee's personnel file. Such medical information will be kept in a separate secure confidential file as described in Section 1.7.1, subparagraph 8.

2.6.6 Accommodation

1. Accommodation for Applicants

Whenever an applicant requests accommodation in applying for, testing, or interviewing for a position with the District, the ADA Coordinator will determine whether the applicant's condition constitutes a disability under the disability laws. The District's ADA Coordinator will then determine whether the request for accommodation for a covered disability is reasonable or if another type

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of accommodation can be provided. In making that determination of reasonableness, the ADA Coordinator will consider whether granting such requests might impose an undue hardship on the District.

2. *Accommodation for Employees*

When the District has some objective reason to believe an employee may need some type of accommodation to perform his/her essential job functions, the District will initiate an interactive process with the employee to find out what accommodation the employee might need. Also, whenever an employee approaches his/her supervisor, the District's ADA Coordinator, or any other manager within the District requesting some type of accommodation, the District will initiate the interactive process. Whenever a manager or supervisor becomes aware that an employee has requested or may require some type of accommodation, the manager/supervisor should promptly notify the ADA Coordinator. Upon learning of the employee's request for accommodation, the ADA Coordinator will arrange to meet with the supervisor and the employee to discuss his/her accommodation request, the need for any reasonable documentation of the disability and the associated functional limitations, and the impact of the proposed accommodation on the District. Review of an employee's particular situation by an outside medical review officer will assist the District in determining appropriate accommodation.

2.6.7 Requirements of Other Laws

The District may make disability-related inquiries and require medical exams that are required or necessitated by applicable laws or regulations; e.g., federal safety regulations, Occupational Safety and Health Administration (OSHA) requirements, etc.

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2.6.8 Glossary of ADA-Related Terms

1. An “**essential function**” is a fundamental job duty of the position held or desired. A function is essential if the job exists to perform that function, a limited number of other employees are available to perform the function, or the function requires special skill or expertise. Determinations as to essential functions must be made on a case-by-case basis and are normally determined based on such factors as:
 - a. The written job description prepared before advertising or interviewing applicants for the job;
 - b. In the District's judgment, the amount of time spent performing the function;
 - c. Input as to the actual work experience of past employees in the job or current employees in similar jobs; and
 - d. The nature of the work operation and the consequences of not having the function performed.

Marginal functions associated with any job should not be considered essential functions. Punctuality and regular work hours may not be an essential function of some jobs. For example, if the job functions can be performed without the presence of a supervisor, adhering to established work hours may not be an essential function. Therefore, reasonable accommodations to the contrary may be necessary.

2. A “**disability-related inquiry**” is a question (or series of questions) likely to elicit information about a disability.

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Generally, disability-related inquiries are not allowed during the hiring process. Examples of disability-related inquiries include:

- a. Asking whether the employee/applicant currently has or has ever had a disability, how s/he became disabled, or inquiring about the nature or severity of an employee's/applicant's disability;
- b. Asking an employee/applicant a broad question about his/her impairments that are likely to elicit information about a disability;
- c. Asking an employee/applicant whether s/he is currently taking any prescription drugs or medication; and
- d. Asking about an employee's/applicant's genetic information.

Other examples of prohibited disability-related questions include, but are not limited to, asking about an employee's/applicant's prior workers' compensation history, and asking an employee's/applicant's coworkers, family member, doctor, or other person about the employee's/applicant's disability.

Questions that are not likely to elicit information about a disability are not prohibited under the ADA. These types of inquiries include asking employees/applicants about their general well-being, whether they can perform the essential job functions and whether they currently use illegal drugs. The District may also ask an employee, but not a job applicant, about non-disability-related impairments such as how s/he broke his/her arm.

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3. A “**medical examination**” is a procedure or test usually given by a health care professional or in a medical setting that seeks information about an individual’s physical or mental impairments or health. Medical examinations include, but are not limited to:
- a. Vision tests conducted and analyzed by an ophthalmologist or optometrist;
 - b. Blood pressure screening and cholesterol testing; nerve conduction tests;
 - c. Range-of-motion tests that measure muscle strength and motor function;
 - d. Audiological or other hearing tests
 - e. Pulmonary function tests;
 - f. Psychological tests designed to identify a mental disorder or impairment; and
 - g. Diagnostic procedures such as x-rays, CAT scans, and MRI’s.

Procedures and tests that employers may require that are generally not considered medical examinations include:

- a. Blood and urine tests to determine the **current** illegal use of drugs;
- b. Physical agility and physical fitness tests; and
- c. Tests that evaluate an employee’s/applicant’s ability to read labels or distinguish objects as part

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of a demonstration of the ability to perform actual job functions.

4. Under the ADA, an “**employee**” is an individual employed by an employer. Generally, an individual is an employee if the employer controls the means and manner of his/her work performance. Where more than one entity controls the means and manner of how an individual’s work is done, the individual may be an employee of each entity.

2.7 Drug-Free and Alcohol-Free Workplace

2.7.1. Purpose

The District has the responsibility to its employees and the public to insure safe working conditions for its employees and a productive work force unimpaired by chemical substance abuse. The District also has a responsibility, pursuant to the Drug Free Workplace Act of 1988, to create a drug-free workplace.

The District recognizes that substance abuse in our nation and our community exacts staggering costs in both human and economic terms. Substance abuse can be reasonably expected to produce impaired job performance, lost productivity, absenteeism, accidents, wasted materials, lowered morale, rising health care costs, and diminished interpersonal relationship skills. This drug and alcohol free workplace policy applies to volunteers as well as employees.

2.7.2 Policy

1. The District is committed to:
 - a. Maintaining a safe, drug-free and alcohol-free workplace for all employees;

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- b. Assisting employees who recognize they have a problem with drugs and/or alcohol and assist with providing appropriate treatment;
 - c. Periodically providing employees with information about the dangers of workplace drug and/or alcohol abuse; and
 - d. When appropriate, taking disciplinary action for failure to comply with this policy.
 2. The District strictly prohibits the following behavior:
 - a. The use, sale, attempted sale, manufacture, attempted manufacture, purchase, possession or cultivation, distribution and/or dispensing of illegal drugs by an employee at any time and in any amount while on duty or on District property. This prohibition includes the use or possession of prescription medicines for which the individual does not have a valid prescription and the inappropriate use of prescribed medicines for which the employee has a valid prescription. In addition, the District prohibits employees from possessing open containers of alcoholic beverages while on duty and from working with a blood-alcohol level of .02 or more at any time.
 - b. Bringing alcohol, illegal drugs, and other substances which may impair the safety or welfare of employees or the public onto the premises controlled by the District or placing them in vehicles or equipment operated on behalf of the District.
 3. Reporting Requirements
 - a. A supervisor who receives information and/or is a

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witness to any use of drugs or alcohol by an employee which violates the District's policies or the law, is required to immediately report this information to his/her Department Head, the Director of Human Resources or the Director of Accounting, Finance & Risk Management. The information reported should include:

- I. The person(s) involved, including all witnesses;
 - II. Any information gathered, such as actual observation of drug/alcohol use, the presence of paraphernalia, observation of any unusual physical signs or behaviors;
 - III. A written record of specific conversations held with the accused and any witnesses; and
 - IV. All pertinent facts, including date(s), time(s), and location(s).
- b. A Department Head is required to report this information to the General Manager, the Director of Human Resources or the Director of Finance, Accounting & Risk Management, and may not conduct a formal investigation, release findings, or administer discipline prior to this disclosure and without specific authorization to do so.
- c. An employee who witnesses or obtains information regarding illegal drug/alcohol use by the incident to that individual's supervisor/manager.
4. Specimen collection, drug testing procedures, sample collection, and alcohol testing procedures will comply

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with all applicable provisions of federal and state law.

5. A positive test result for alcohol or drugs will be grounds for disciplinary action, up to and including termination.
6. Employees in safety-sensitive positions as defined in 49 CFR Part 382, et seq., are subject to the Federal Department of Transportation (DOT) (49 CFR Part 40) and the Federal Motor Carrier Safety Regulations (FMCSR), as prescribed by the Federal Motor Carrier Safety Administration (FMCSA) (49 CFR Parts 382, 383, 387, 390-397, and 399), as stated in Section F of the District's Operations and Safety Manual, as well as the District's Drug-Free and Alcohol-Free Workplace Policy.

2.7.3 Employee Responsibilities

Each employee is responsible for reviewing and complying with the District's Drug-Free and Alcohol-Free Workplace Policy.

1. Each employee is responsible for meeting standards for work performance and safe on-the-job conduct.
2. Employees are not to report to work under the influence of alcohol, illegal drugs, or misused prescription or over-the-counter drugs.
3. Employees who suspect they may have a substance abuse problem are encouraged to seek counseling and rehabilitation from a substance abuse professional or other treatment provider. An Employee Assistance Program (EAP) is available for all employees; see Section 6.9. For employees with benefits, the District's medical insurance coverage may provide for payment of some or all of the treatment costs.

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4. It is the employee's responsibility and obligation to determine, by consulting a physician if necessary, whether or not a legal drug s/he is taking may or will affect his/her ability to safely and efficiently perform his/her job duties. An employee whose impairment may affect job performance must contact his/her supervisor and attempt to find an appropriate alternative assignment. If none is available, the employee may take sick leave or be placed on a medical leave of absence (if available and the employee otherwise qualifies) or take other steps consistent with the advice of a physician. If an employee reports to work under the influence of prescription medication and, as a result, endangers him/herself or others, the employee may be disciplined, up to and including termination.
5. Each employee must report the facts and circumstances of any criminal drug or alcohol conviction to their supervisor. If an employee's duties involve driving a vehicle, the employee must report to his/her supervisor a conviction for driving under the influence (DUI), and/or revocation or suspension of the driver's license pending adjudication. Notification to the District must occur before resuming work duties or no later than five (5) days after the conviction or revocation/suspension. Failure to notify the District will result in disciplinary action, up to and including termination. The supervisor will immediately notify the District's Director of Finance, Accounting & Risk Management or Director of Human Resources.
6. Employees must act as responsible representatives of the District and as law-abiding citizens. It is every employee's responsibility to report violations of this policy to his/her immediate supervisor or to Human Resources. Such reporting is critical in preventing serious injuries or damage to other employees, the

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public and/or District's property.

7. Employees who are required to submit to a drug/alcohol testing must complete and sign the consent form, if available.

2.7.4 Supervisor Responsibilities

Supervisors are responsible for:

1. Determining if reasonable suspicion exists to warrant drug and/or alcohol testing and documenting, in writing, the specific facts, symptoms, or observations that are the basis for the reasonable suspicion.
2. Submitting the documentation to the Department Head or designee.
3. Complying with the appropriate provisions outlined in this policy that apply to supervisory personnel.

2.7.5 Department Head Responsibilities

The Department Head or his/her designee is responsible for:

1. Authorizing and coordinating the drug and/or alcohol testing of employees.
2. Requesting completion of the consent form.
3. Notifying employees of positive test results and their right to a retest of the same sample.
4. Implementing disciplinary action against employees who fail to comply with provisions outlined in this policy.
5. Notifying the District's Director of Finance,

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Accounting & Risk Management of an employee's conviction of a federal or state criminal drug and/or alcohol statute violation.

6. Ensuring that the drug and/or alcohol test forms and results are kept confidential and only provided to employees with a business need for the information.

2.7.6 Risk Management Responsibilities

Risk Management will be responsible for:

1. Providing communication and training on this policy to include a training program to assist supervisors/managers and Department Heads to recognize the conduct and behavior that gives rise to a reasonable suspicion of drug and/or alcohol use by employees and how to effectively intervene.
2. Receiving and maintaining employee drug and alcohol testing records and files from all sources and assuring that they are kept confidential.
3. Making drug and/or alcohol testing and notice forms available at the designated collection site(s).
4. Notifying appropriate Department Heads of positive results of drug and alcohol tests.
5. Administering the contract with a third party to provide drug and alcohol testing services.
6. Overseeing the administration of the District's Drug-Free and Alcohol-Free Workplace Policy.

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2.7.7 Employee Education

The District maintains information relating to the hazards of and treatment for drug- and alcohol-related problems. Proactive training and information will be sponsored by the District periodically. Any employee may voluntarily seek advice, information, and assistance. Medical confidentiality will be maintained consistent with this policy.

2.7.8 Employee Assistance and Voluntary Referral

1. The District strongly encourages employees who suspect they have substance abuse problems to voluntarily refer themselves to a treatment program. A voluntary referral is defined as being one that occurs prior to any positive test for illegal drugs or alcohol under this policy and prior to any other violation of this policy, including a criminal conviction of that individual for a drug- or alcohol-related offense. A decision to participate in the (EAP) will not be a protection or defense from discipline.
2. Any employee who voluntarily requests assistance in dealing with a personal drug and/or alcohol problem may do so through a private treatment program for drug and alcohol problems. An employee who is being treated for substance abuse in a recognized rehabilitation program may, if the ADA, as amended applies, be entitled to reasonable accommodation so long as the employee is conforming to the requirements of the program and is abstaining from the use of controlled substances and/or alcohol.
3. The employee must agree to release treatment information to the District to permit the monitoring of the employee's ongoing compliance with the treatment recommendation. Any related leave will be considered to be medical leave under the provisions of the Family

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and Medical Leave Act (FMLA) if the employee is eligible. Employees requiring in-patient treatment are requested to notify the Director of Finance, Accounting & Risk Management or Director of Human Resources in advance of the treatment admission. After such accommodation, the discontinuation of any involvement with alcohol and/or drugs is an essential requisite for continued employment. Upon completion of a substance abuse program, employees must take and pass a return-to-work test and sign a return-to-work agreement that will include a commitment to follow recommendations given by the treatment provider and other conditions as the District deems appropriate.

4. The cost of the drug or alcohol rehabilitation or treatment program will be borne by the employee and/or the employee's insurance provider. All information regarding an employee's participation in treatment will be held in strict confidence. Only information that is deemed business necessity will be shared by the District's management. Employees are limited to treatment for substance abuse one time only under this policy.

2.7.9 Reasonable Suspicion Testing

1. When a supervisor/manager or Department Head has reasonable suspicion that an employee may be under the influence of alcohol and/or drugs, the employee in question will be directed by the Department Head or designee or the District's Director of Finance, Accounting & Risk Management to submit to drug and/or alcohol testing by a third party that the District has contracted with to provide drug and alcohol testing services. The employee may be suspended with pay pending results of the test.
2. The supervisor/manager will be responsible to

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determine if reasonable suspicion exists to warrant drug and/or alcohol testing and will be required to document, in writing, the specific facts, symptoms, or observations which form the basis for such reasonable suspicion. When possible, the documentation will be forwarded to the Department Head or designee to authorize the drug and/or alcohol test of an employee.

3. Circumstances which constitute a basis for determining reasonable suspicion may include, but are not limited to:
 - a. Information provided either by reliable and credible sources or independently corroborated.
 - b. The first line supervisor or another supervisor/manager receives information from a reliable and credible source as determined by the Department Head that an employee is violating the District's policy.
 - c. The first line supervisor or another supervisor/manager directly observes an employee using drugs or alcohol while an employee is on duty.
 - d. Drug or alcohol paraphernalia, possibly used in connection with illicit drugs or alcohol, found on the employee's person or at or near the employee's work area.
 - e. Evidence that the employee has tampered with a previous drug and/or alcohol test.
4. The following behaviors will also contribute toward reasonable suspicion and, collectively or independently, on a case-by-case basis may provide a sufficient reason for requesting a drug and/or alcohol test:

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- a. *A pattern of abnormal or erratic behavior.*
This includes, but is not limited to, a single, unexplainable incident of serious abnormal behavior or a pattern of behavior which is radically different from what is normally displayed by the employee or grossly differing from acceptable behavior in the workplace.
- b. *Presence of physical symptoms of drug and/or alcohol use.*
The supervisor observes physical symptoms that could include, but are not limited to, glassy or bloodshot eyes, slurred speech, poor motor coordination, or slow or poor reflex responses different from what is usually displayed by the employee or generally associated with common ailments such as colds, sinus problems, hay fever, and diabetes.
- c. *Violent or threatening behavior.*
First Incident: If an employee engages in unprovoked, unexplained, aggressive, violent, and/or threatening behavior against any person, the Department Head may request that the employee submit to drug and/or alcohol testing.

Second Incident: Whether or not an employee has previously received formal counseling or disciplinary action for unprovoked, unexplained, aggressive, violent, or threatening behavior, upon a second or subsequent episode of similar behavior/conduct, the Department Head will request that the employee undergo drug and/or alcohol testing.
- d. *Absenteeism and/or tardiness.*
If an employee has previously received disciplinary action for absenteeism and/or

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tardiness, a continued poor record that warrants a second or subsequent disciplinary action may, in combination with other relevant behaviors, result in drug and/or alcohol testing.

5. An employee who is required to submit to reasonable suspicion testing will be provided transportation by the District to the location of the test. After the employee submits to the test or if the employee refuses to be tested, the District will provide transportation for the employee to his/her home.

2.7.10 Post-Accident Testing

1. Each employee involved in an OSHA-recordable accident may be tested for drugs and/or alcohol as soon as possible after the accident, but after any necessary emergency medical attention has been provided. OSHA-recordable accidents are those accidents that result in but are not limited to:
 - a. Medical treatment other than first-aid treatment;
 - b. Work restrictions;
 - c. Days away from work;
 - d. Loss of consciousness; or
 - e. Transfer to another job.

Additionally, any accident in which there is property damage estimated to be valued at or in excess of two thousand five hundred (\$2,500) may trigger a post-accident test. The manager will make the discretionary decision if the test will be administered. An employee who is required to submit to post-accident testing will be provided transportation by the District

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to the location of the test.

2. In the event an employee is so seriously injured that s/he cannot provide a blood, breath, or urine specimen at the time of the accident, the employee must provide necessary authorization, as soon as the employee's physical condition allows, to enable the District to obtain hospital records or other documents that indicate whether there were drugs or alcohol in the employee's system when the accident occurred.
3. In the event federal, state, or local officials conducted drug and/or alcohol testing following an accident, the employee will be required to sign a release allowing the District to obtain the test results from such officials.
4. An employee who is subject to a post-accident test must remain readily available for testing. An employee who leaves the scene before the test is administered or who does not make him/herself readily available may be deemed to have refused to be tested, and such refusal will be treated as a positive test. Further, the employee, subject to a post-accident test, must refrain from consuming alcohol for eight (8) hours following the accident or until the employee submits to an alcohol test, whichever comes first.
5. For safety reasons, an employee required to submit to post-accident testing may be placed on leave of absence with or without pay pending receipt of the post-accident testing results and any related investigation.

2.7.11 Consequence of Refusal to Submit to Testing/ Adulterated Specimen

1. An employee who refuses to submit to testing for drugs and/or alcohol will be subject to disciplinary action, up to and including termination. An employee

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who consents to a drug or alcohol test but fails to appear timely at the collection site, or who fails to give his/her urine sample after reasonable opportunity to do so, will be treated as a refusal to submit to a drug or alcohol test.

2. Submission of an altered or adulterated specimen or substitution of a specimen by a specimen donor will be considered a refusal to comply with this policy and subject the employee to disciplinary action, up to and including termination.

2.7.12 Testing Guidelines

1. The District, through a contracted third party that provides drug and alcohol testing services, will test for the following types of substances:
 - a. Marijuana
 - b. Cocaine, including crack
 - c. Opiates, including heroin and codeine
 - d. Amphetamines, including methamphetamines
 - e. Phencyclidine (PCP)
 - f. Alcohol
 - g. Other drugs may be added to this list.
2. Where applicable, the District will follow federal testing procedures for drugs and alcohol set forth by the Federal Department of Transportation (DOT) 49 CFR Part 40 and the Federal Motor Carrier Safety Regulations (FMCSR). These regulations may be

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amended from time to time.

2.7.13 Option for Drug Retest (For Commercial Drivers License (CDL) Program only)

1. No later than seventy-two (72) hours after receipt of a positive drug test, an employee who tests positive may request a confirmatory retest of the same sample at his/her expense at a certified laboratory of his/her choice.
2. Upon request, the outside medical review officer will authorize the laboratory holding the employee's sample to release to a second laboratory, approved by the Department of Health and Human Services, a sufficient quantity of the sample to conduct a second testing analysis.
3. The employee will be required to authorize the laboratory to provide the District with a copy of its test results. The accuracy of the test results will be verified by the laboratory conducting the analysis.

2.7.14 Searches

1. If the District suspects that an employee or on-site contractor is in possession of illegal drugs, alcohol, or contraband in violation of this policy, the District may request the individual to submit to a search of his/her person, personal effects, vehicles, lockers, desks, work area, baggage, and employee quarters. By entering into or being present at a job site while on District time or representing the District in any way, an individual is deemed to have consented to such searches. If an individual is asked to submit to a search and refuses, that individual will be considered insubordinate and will be escorted off the job site and disciplined, as appropriate.

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2. Searches will be conducted by management personnel and may or may not be conducted in the presence of the person whose property or work area is searched. Any suspected contraband will be confiscated and may be turned over to law enforcement as appropriate. Any person whose property is confiscated will be given a receipt for that property by the District's representative conducting the search.

2.7.15 Discipline Related to Abuse

1. Employees in violation of the provisions of this policy will be subject to disciplinary action, up to and including termination.
2. An employee may be found to have violated this policy on the basis of any appropriate evidence including, but not limited to:
 - a. Direct observation of illegal use of drugs, prohibited use of alcohol, or possession of illegal drugs or alcohol or related contraband;
 - b. Evidence obtained from a motor vehicle citation, an arrest, or a criminal conviction for use or possession of illegal drugs or for the use, or being under the influence, of alcohol on the job;
 - c. A verified positive test result; or
 - d. An employee's voluntary admission.
3. Prior to determining its course of action, the District may direct an employee who has tested positive to submit to an evaluation by a substance abuse professional. The evaluation will attempt to determine the extent of the

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employee's use of or dependence on the abused substance(s) and, if necessary, recommend an appropriate program of treatment.

4. If an evaluation is conducted which results in a recommendation for treatment, continued employment may, but is not required, to be allowed if the recommended treatment is immediately begun and successfully completed. The treatment program may include, but is not limited to, rehabilitation, counseling, and after-care to prevent future substance use/abuse problems. The treatment program will **not** be at the District's expense; however, employees may use benefits provided by applicable insurance coverage, if covered. Failure by the employee to enroll in the recommended treatment program, to consistently comply with the program's requirements, to complete it successfully, and/or to complete any continuing care program will be grounds for immediate termination from employment. Employees are limited to substance abuse treatment one time only under this policy.

5. If the District agrees to continue employment, an employee who violates this policy and undergoes rehabilitation for drugs or alcohol will, as a condition of returning to work, be required to agree to follow-up testing as established by the District's Director of Finance, Accounting & Risk Management or designee. The extent and duration of the follow-up testing will depend upon the safety and security nature of the employee's position and the nature and extent of the employee's substance abuse problem. The District's Director of Finance, Accounting & Risk Management or designee will review the conditions of continued employment with the employee prior to the employee returning to work. Any such condition for continued employment will be given to the employee in writing.

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Any employee subject to return-to-work testing that has a confirmed positive drug or alcohol test will be in violation of this policy and subject to termination.

6. Disciplinary action will also be taken for any job performance or behavior that would otherwise be cause for disciplinary action.

2.7.16 Confidentiality

All medical and rehabilitation records are confidential medical records and may not be disclosed without the prior written consent of the employee, authorizing court order, or otherwise as permitted by state and federal law. Positive test results may only be disclosed to the employee; the appropriate medical and substance abuse treatment providers; the District's General Counsel; a District representative necessary to respond to an alleged violation of this policy; individuals within the District who have a business need-to-know of drug and/or alcohol testing results; and a court of law or administrative tribunal in any adverse personnel action.

2.7.17 Glossary of Drug-Free and Alcohol-Free Workplace Related Terms

Alcohol: The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl and isopropyl alcohol.

Alcohol Use: The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol.

Applicant: A person, including a current employee, applying for any position with the District.

Contraband: Any item such as illegal drugs, drug



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paraphernalia, or other related items whose possession is prohibited by this policy.

Conviction: A finding of guilt, including a plea of no contest or imposition of sentence or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug or alcohol statutes.

Department Head/Department Manager: An employee or position designated by the General Manager to be in charge of a District department.

Drug Test: A urinalysis (urine) test that includes specimen collection and testing by a Department of Health and Human Services (DHHS) certified laboratory. Both a screening test and a confirmation test must be used to establish a positive test result.

District Premises: All District property and facilities, the surrounding grounds and parking lots, leased space, District-motor driven equipment/vehicles, offices, desks, cabinets, closets, etc.

Illegal Drugs: Any controlled substance or drug, the sale, possession, cultivation, transfer, use, purchase, or distribution of which is illegal. Illegal drugs include prescription drugs not legally obtained and/or prescription drugs not being used in the manner, combination, or quantity prescribed, or by the individual for whom prescribed.

Legal Drugs: Prescription drugs and over-the-counter drugs that have been legally obtained and are being used in the manner, combination, and quantity for which they were prescribed or manufactured.

Positive Drug or Alcohol Test: Any detectable level of drugs or its metabolite (in excess of trace amounts attributable to secondary exposure) in an employee's urine or blood. With

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respect to alcohol, a blood alcohol concentration of 0.02 or higher constitutes a positive test.

Substance Abuse Professional: A licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with the knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol-related disorders.

Supervisor: An employee who has been authorized to select, train, schedule, and evaluate the work of other employees, and to make decisions or effectively recommend actions related to the hiring, evaluation, and discipline of assigned employees. This person may also serve as the Department Head.

2.8 Prohibition of Workplace Violence

2.8.1 *Policy*

The District is committed to providing for the safety and security of all employees, customers, visitors, and property.

2.8.2 *Scope*

This policy applies to all employees, including regular, part-time temporary, seasonal, and elected officials, as well as contract and temporary and volunteer workers and anyone else on the District's property.

2.8.3 *Implementation of Policy*

1. The District will not tolerate any form of workplace violence including acts or threats of physical violence, intimidation, harassment, hostile behavior, and/or

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coercion, which involve or affect the District or which occur on property owned or controlled by the District or during the course of the District's business. Examples of workplace violence include, but are not limited to, the following:

- a. All threats (including direct, conditional, or veiled) or acts of violence occurring on premises owned or controlled by the District, regardless of the relationship between the District and the parties involved in the incident.
 - b. All threats of any type or acts of violence occurring off the District's premises involving someone who is acting in the capacity of a representative of the District.
 - c. All threats of any type or acts of violence occurring off the District's premises involving an employee of the District, if the threats or acts affect the legitimate interests of the District.
 - d. Any acts or threats resulting in a criminal conviction of an employee or agent of the District or of an individual performing service for the District on a contract or temporary basis which adversely affect the legitimate interests and goals of the District.
2. Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:
- a. Hitting, shoving, or otherwise physically assaulting an individual;
 - b. Direct, conditional, or veiled threats of harm directed to an individual or his/her family, friends,

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- associates, or property;
- c. The intentional or malicious destruction or threat of destruction of the District's property, or property of another employee;
 - d. Harassing or threatening telephone calls, notes, letters, or computer messages;
 - e. Harassing surveillance or stalking;
 - f. Unauthorized possession or inappropriate use of firearms, weapons, hazardous biological or chemical substances, or explosives while on District business.
3. The District desires to detect and deter real, potential, or threatened violence. Every employee is required to report immediately any acts of violence or any threat of violence against any co-worker, supervisor, manager, elected official, customer, visitor, or other individual. Supervisory and managerial personnel who witness or become aware of any acts or threats of violence must notify their superior immediately. Department Heads must report any acts or threats of violence to Human Resources. Every other person on District property is encouraged to report incidents of threats or acts of violence of which s/he is aware. Threats or acts of violence may include:
- a. Discussing weapons or bringing them to the workplace.
 - b. Displaying overt signs of extreme stress, resentment, hostility, or anger.
 - c. Making threatening remarks.

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- d. Sudden or significant deterioration of performance.
 - e. Displaying irrational or inappropriate behavior.
4. Reports of violence or threatening behavior should be made to the Human Resources Department, the Director of Finance, Accounting & Risk Management, an employee's immediate supervisor or manager, or any other supervisory or management employee. Employees may directly contact law enforcement personnel if they believe there is an imminent threat to the safety and health of employees. The District is committed to ensuring that employees reporting real or perceived threats in good faith will not be subject to harassment or retaliation. Nothing in this policy alters any other reporting obligation established in the District policies or in state, federal, or other applicable law.

2.8.4 Violations

1. Violations of this policy by any employee will lead to disciplinary action, up to and including termination and/or appropriate legal action. The District may also take appropriate disciplinary action against any employee who intentionally makes a false or malicious statement about coworkers or others.
2. Actions necessary for bona fide self-defense or protection of employees of the District or of District property will not be considered to violate this policy.

2.8.5 Temporary Restraining Orders

1. The District may apply for an order for protection against harassment in the workplace under the terms of Nevada Revised Statutes (NRS) 33.200 – 33.360 when it has reason to believe that:

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- a. A person knowingly threatens to cause or commits an act that causes:
 - I. Bodily injury to him/herself or to another person;
 - II. Damage to the property of another person; or
 - III. Substantial harm to the physical or mental health or safety of a person;
 - b. The threat is made or an act committed against the District, any employee of the District while performing employment duties, or against a person present at the District's workplace; and
 - c. The threat would cause a reasonable person to fear that the threat will be carried out or the act would cause a reasonable person to feel terrorized, frightened, intimidated, or harassed.
2. Such order of protection against harassment in the workplace may:
- a. Forbid the alleged harasser from contacting the District, an employee of the District while performing his/her duties, and any person while the person is present at the District's workplace;
 - b. Order the alleged harasser to stay away from the workplace; and
 - c. Order such other relief as the court deems necessary to protect the District, the workplace of the District, the District's employees while performing their job duties, and any other persons

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who are present at the workplace.

2.9 Employment of Relatives (Nepotism)

Pursuant to NRS 281.210, no supervisor, manager or appointing authority, including Trustees of the District may employ in any capacity on behalf of the District any relative who is within the third degree of consanguinity or affinity (see Appendix A Consanguinity/Affinity Chart). Existing employees may continue in their current position following the election of their relative to an appointing authority position.

No two benefitted employees shall work within the same department within the first degree of Consanguinity/Affinity. Departments are identified as Public Works, Parks & Recreation, Golf, Ski and Administration.

In addition, no person will be hired or promoted to a position that would require supervision by a relative who is within the third degree of consanguinity or affinity. For purposes of this paragraph, supervision includes first, second or higher levels of supervision. (Example: An employee reports to an immediate supervisor, who reports to a Division Manager, who reports to a Department Head. The employee may not be related within the third degree of consanguinity or affinity to the supervisor, Division Manager or Department Head.)

2.10 Code of Conduct and Ethical Standards

Employees of the District recognize that employment with the District is a public trust. To preserve that trust, the District insists on the highest code of conduct and ethical standards. The purpose of this policy is to define and establish standards of ethical conduct that are required of public officials and employees so as to ensure their professional integrity in the performance of their duties. SB228 requires that employees hired after June 13, 2013 will be provided information prepared by Nevada Ethics Commission concerning standards under NRS 281.

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The employees of the District must comply with the following provisions while performing their duties and responsibilities and/or representing themselves as an employee of the District. This list is not all-inclusive, but simply provides the basic level of conduct expected.

1. All employees will conduct themselves with honesty and integrity in the course of performing their job.
2. They will act with care and diligence in the course of their employment.
3. They will treat everyone, including coworkers, subordinates, supervisors, customers and the public, with the utmost respect and courtesy.
4. They will accept and value differences amongst each other, our customers and the public.
5. They will comply with all applicable federal, state, and local laws.
6. They will comply with any lawful and reasonable direction given by someone in the District who has authority to give the direction.
7. They will maintain appropriate confidentiality.
8. They will disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with their employment.
9. They will be at work and on time regularly and perform their job duties in a responsible manner.
10. They will use District resources in a manner that is

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acceptable to the District.

11. They will not provide false or misleading information in response to a request for information that is made for official purposes in connection with their employment.
12. They will, at all times, act in a way that upholds the values and the integrity and good reputation of the District.
13. They will comply with any other conduct requirement that is prescribed by the District as well as District policies.

In addition, consistent with the provisions of NRS 281A.400 and NRS 281.230, District's officials and employees are required to comply with the following ethical standards:

1. No official or employee shall seek or accept any gift, service, favor, employment, engagement, perquisite, gratuity, or economic opportunity or advantage which would tend improperly to influence a reasonable person in his/her position to depart from the faithful and impartial discharge of his/her public duties.
2. No official or employee shall use his/her position with the District to secure or grant unwarranted privileges, preferences, exemptions, or advantages for him/herself, any member of his/her household, any business entity in which s/he has a significant pecuniary interest, or any other person.
3. No official or employee shall participate as an agent of government in the negotiation or execution of a contract between the governmental entity and any private business in which s/he has a significant pecuniary interest.
4. No official or employee shall accept any salary, retainer, augmentation, expense allowance, or other compensation from any private source for the performance of his/her duties as an official or employee.

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5. If an official or employee acquires, through his/her public duties or relationships, any information which, by law or practice, is not at the time available to the public generally, s/he shall not use such information to further his/her own current or future pecuniary interests or the current or future pecuniary interests of any other person or business entity.
6. No official or employee shall suppress any governmental report or other document or information because the release of such report or information has the potential to impact his/her own pecuniary interests or those with whom s/he has a business or personal relationship.
7. No official or employee shall use governmental time, property (including monies or funds), equipment, or other facility to benefit his/her personal or financial interests.
8. No official or employee shall attempt to benefit his/her personal or financial interest(s) by influencing or intimidating a subordinate.
9. No official or employee shall seek other employment or contracts through the use of his/her official position or the influence associated thereto.
10. An official or employee shall not, in any manner, directly or indirectly, receive any commission, personal profit, or compensation of any kind resulting from any contract or other transaction in which the District is in any way interested or affected except:
 - a. A member of any board, commission, or similar body who is engaged in the profession, occupation, or business regulated by the board, commission, or body may, in the ordinary course of his/her business, bid on or enter into a contract with any governmental agency, except the board or commission of which s/he is a

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member, if s/he has not taken part in developing the contract plans or specifications and s/he will not be personally involved in opening, considering, or accepting offers.

- b. A public officer or employee, other than an officer or employee described in a. above, may bid on or enter into a contract with a governmental agency if the contracting process is controlled by rules of open competitive bidding, the sources of supply are limited, s/he has not taken part in developing the contract plans or specifications, and s/he will not be personally involved in opening, considering, or accepting offers.
- c. District employees will maintain professional conduct at all times with the Board of Trustees, other employees, the public and other agencies, and avoid any conduct that may be detrimental to the District.
- d. Exceptions for small gifts such as food which can be shared with other staff are acceptable as are tips for tip approved positions. Recreational venues may accept promotional items that are approved by the Department Head as long as under no circumstances will favoritism be displayed for a product as a result of a supplier gift.

Violations of any of the above provisions may result in disciplinary action, up to and including termination.

2.11 Political Activity

Employees are not to engage in political activity of any kind during working hours. This includes, but is not limited to: soliciting money, influence, service, or any other valuable thing to aid, promote, or defeat any political committee or the nomination or election of any person to public office. Wearing or displaying of apparel, buttons, insignia, or other items which advocate for or against a political candidate or a political cause is also an example of political activity

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not allowed during work hours. Additionally, no person will attempt to coerce, command, or require a person holding or applying for any position or employment, including a citizen requesting services supplied by the District, to influence or to give money, service, or other valuable thing to aid, promote, or defeat any political committee, or to aid, promote, or defeat the nomination or election of any person to public office.

Employees may not participate in any of the above-mentioned activities off duty while wearing a uniform, name tag, or any other item identifying them as a representative of the District.

Employees may not use any District resources, including but not limited to: interoffice mail, email, telephone, facsimile machines, Internet, or copy machines to engage in any political activity outside the approved scope of the employees' official duties.

2.11.1 Running for, or Holding, Political Office

While employees are encouraged to participate in the political process, they must understand the District also has an obligation to provide service to the public.

Employees who are seeking, or who have been elected or appointed to public office, are not to conduct any business related to these activities while on duty. This includes all the items listed in the previous section (i.e., political activity).

If there is a conflict with, or the activities hinder the performance of the duties with the District, the employee will comply with one of the following: (final approval is at the District's sole discretion)

1. The employee will be expected to resign their position;
2. The employee may apply and seek approval for use of accrued leave time, or;

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3. The employee may request unpaid leave.

The District's leave policies addressing continuation of health insurance, retirement benefits, accrual of additional leave time, and job and seniority status will be applied in this situation. The District's time and attendance program must be utilized for 2 above.

If there is any question regarding this policy, employees should contact their supervisor for clarification.

2.12 Distribution, Solicitation and Vending

The District restricts solicitation and distribution of material on its premises by non-employees. Limited solicitation and distribution by employees may be permitted during non-working hours. Prior approval must be obtained from the employee's Department Head. Distribution, solicitation or vending is not permitted in work areas at any time, except on matters directly related to District business, and is not permitted in non-work areas during the scheduled working hours of either the employee who is distributing, soliciting or vending or the employee who is the object of the activity.

2.13 Work Stoppage Prohibited

No employee will instigate, promote, encourage, sponsor, or engage in any strike, picketing, slowdown, concerted work stoppage, sick out, or any other intentional interruption of work. Any employee who violates the provisions of this section will be subject to disciplinary action, up to and including termination.

2.14 Use of District Property and Premises

Employee's use of District property and equipment including, but not limited to, monies and funds, communication equipment, District owned system data (blogs, internet customer lists, etc.), vehicles, tools, equipment, and facilities are only for work-related purposes. When using District property and equipment, employees are

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expected to exercise care, perform required maintenance, and follow all operating instructions as well as comply with safety standards and guidelines. Employees are not to misuse, destroy, or otherwise use in an improper or unsafe manner any property of the District. Employees should not make unauthorized copies or perform or allow any other unauthorized use of District keys or other access devices. District vehicles are to be used for District purposes only. Personal use of District vehicles is not allowed.

Any employee who violates the provisions of this section will be subject to disciplinary action and may be required to reimburse the District for damages or loss.

The District may authorize the examination of lockers, desks, vehicles, and all other property and spaces owned or controlled by the District to check for the presence of any unauthorized material, weapons of any type, or controlled substances including, but not limited to alcohol and illegal drugs. Prior notice to employees that District-owned property or space is to be searched is not required. A search may be conducted either in or outside the employee's presence.

2.15 Telephone Policy

The District's telephone policy covers phone usage while at work for land lines and cellular telephones. The use of hand held cellular telephones, including texting/instant messaging while operating District vehicle is **prohibited**.

2.15.1 *Personal Telephone Calls*

District telephone usage for personal calls should be kept to a minimum, and the calls should be made during lunch hours or authorized breaks. If it is necessary to make or receive a call during working hours, keep such calls as brief as possible. Personal telephone calls or facsimile that incur either message unit charges or long distance toll charges must be repaid.

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2.15.2 Cellular Telephone

The District requires certain positions within the District to use a cellular telephone for business purposes. The need and business purpose for use of a cellular telephone will be stated clearly in the job description. Factors which support cellular telephone use include, but are not limited to:

1. Performing work which requires the employee to be out of the office on a regular basis where availability of a land line telephone is limited.
2. Performing work which requires the employee to regularly serve in an off-duty, on-call status a minimum of 2-3 days a week.
3. Performing work which requires the employee to stand by for emergency call back where once called, time becomes a significant response factor.
4. Where the safety of the employee or of participants at a District sponsored program or event requires it.
5. Managerial Responsibilities

Each employee in a position requiring a cellular telephone will be offered a District provided cellular telephone.

6. At the time of hire or as soon as thereafter as practicable, the employee's supervisor and/or manager will discuss with the employee the requirement for a cellular telephone. The supervisor and/or manager should have a copy of the employee's job description where the requirement for a cellular telephone is noted.
7. Should the discussion conclude with the employee

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being issued a District cellular telephone, the employee and manager and/or supervisor will complete a Cell Phone Agreement and take the completed form to the District's Information Technology Department to obtain the District cellular telephone.

8. The District requirement for being issued a District cellular telephone include:
 - a. **No** personal telephone calls will be made or received except in the case of an emergency. In the case of an emergency call(s), the expectation will be that the employee will reimburse the District for said call(s).
 - b. If there are calls identified as not for District business purposes that appear on the District's cellular telephone bills, the employee must reimburse the District for all these telephone calls. Further, the employee will be required to explain these calls to their supervisor and/or manager and will be subject to progressive discipline if the calls were not for emergencies.
 - c. All accessories for the District's cellular telephone will be provided by the District if it is determined needed by the employee's supervisor and/or manager and the District's Information Technology Department.
 - d. It is the responsibility of the employee to take care of the provided District cellular telephone.
 - e. Should the employee lose or damage the District provided cellular telephone, and the loss or damage was due to negligent behavior, the employee will be responsible for the immediate replacement.

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9. The employee and manager and/or supervisor may determine that the employee's personal cellular telephone will be used rather than a District issued cellular telephone. In this case, the employee and manager and/or supervisor will complete a Personal Cell Phone Agreement and take the completed form to the District's Information Technology Department to obtain appropriate access to District electronic resources on the employee's personal cellular telephone.
10. If a position requires a cellular telephone, it is the employee's responsibility to make sure that their cellular telephone number is listed in all directories that the District maintains.
11. If a position within the District requires a cellular telephone that means that the cellular telephone will be available during regularly scheduled work hours for District calls. The District recognizes that there will be times, such as vacation or illness, when the cellular telephone will be unavailable. It is the employee's responsibility to alert their supervisor and/or manager when these situations occur.

2.16 Information Technology

2.16.1 Policy

The District requires employees to use information technology (computer systems, telecommunication and other devices, and electronic information) responsibly.

2.16.2 Privacy

The District respects the individual privacy of its employees;

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however, employees should not expect privacy with respect to any of their activities when using the District's computer and/or telecommunication property, systems, or services. Use of passwords or account numbers by employees does not create a reasonable expectation of privacy and confidentiality of information being maintained or transmitted. The District reserves the right to review, retrieve, read, and disclose any files, messages, or communications that are created, sent, received, or stored on the District's computer systems and/or equipment. The District's right to review, also called monitoring, is for the purpose of ensuring the security and protection of business records, preventing unlawful and/or inappropriate conduct, and creating and maintaining a productive work environment.

2.16.3 Use

1. The computers, associated hardware and software, including electronic mail (email or instant messaging "IM") and access to on-line services (the Internet), as well as voice mail (on land lines and District provided cellular telephones), pagers, smart phones (e.g. BlackBerry, iPhones) and faxes, that belong to the District and, as such, are provided for business use. Very limited or incidental use by employees for personal, non-business purposes is acceptable as long as it is:
 - a. Conducted on personal time (i.e., during designated breaks or meal periods);
 - b. Does not consume system resources or storage capacity; or
 - c. Does not involve any prohibited uses.
2. Employees loading, importing, or downloading files from sources outside the District's system, including files from the Internet and any computer storage device, must ensure the files and devices are scanned with the District's current virus detection software before installation and execution.

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Compliance to copyright and/or trademark laws prior to downloading files and/or software must be adhered to explicitly.

3. Employees may use information technology, including the Internet, during work hours on job-related matters to gather and disseminate information, maintain their currency in a field of knowledge, participate in professional associations, and communicate with colleagues in other organizations regarding business issues.
4. An employee's use of the District's computer systems, telecommunication equipment and systems, and other devices or the employee's use of personally-owned electronic devices to gain access to District's files or other work-related materials maintained by the District constitutes the employee's acceptance of this policy and its requirements.
5. Employees are encouraged to contact the District's Information Technology departments to report receipt of unsolicited inappropriate messages or materials.

2.16.4 Prohibited Use

Prohibited use includes, but is not limited to, the following:

1. Sending, requesting, or storing messages or images that a "reasonable person" would consider to be offensive, disruptive, harassing, threatening, derogatory, defamatory, pornographic, indicative of illegal activity, or any that contain belittling comments, slurs, or images based on race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, and/or disability.
2. Sending, requesting, or storing chain letters.
3. Subscriptions to newsletters, advertising, clubs, or other

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periodic email which is not necessary for the performance of the employee's assigned duties.

4. Sending, requesting, or storing solicitations on behalf of any club, society, philanthropic or similar organization.
5. Sending, requesting, or storing union-related solicitations.
6. Engaging in political activities including, but not limited to, solicitation or fundraising.
7. Engaging in religious activities including, but not limited to, proselytizing or soliciting contributions.
8. Conducting outside employment in any manner.
9. Engaging in illegal, fraudulent, defamatory, or malicious conduct.
10. Writing or participating in blogs and social media that injure, disparage, and/or defame the District, members of the public, and/or District employees' reputations by name or implication.
11. Downloading, uploading, or otherwise transmitting without authorization:
 - a. Confidential or proprietary information or material
 - b. Materials in violation of current owner's rights
 - c. Illegal information or material
 - d. Sexually explicit material
12. Obtaining unauthorized access to other systems.
13. Using another person's password or account number without explicit authorization by the District.

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14. Accessing, reading, copying, misappropriating, altering, misusing, or intentionally destroying the information/files of the District and other users without explicit authorization.
15. Loading unauthorized software or software not purchased or licensed by the District.
16. Breaching or attempting to breach any security systems or otherwise maliciously tampering with any of the District's electronic systems including, but not limited to, introducing viruses.
17. Using the District's information technology for personal, non-business purposes in other than a very limited or incidental way.

2.16.5 Temporary Access

In the event a supervisor or manager needs to access email and/or files related to an employee's individual account or has a concern about an individual employee's computer use, those requests must be directed through the Director of Information Technology to ensure security.

2.16.6 Violation of Policy

Improper or prohibited use of the District's Information Technology property, systems, or services will result in discipline, up to and including termination.

2.17 Social Media

2.17.1 Policy

The District has a reasonable expectation that employees act with honesty, integrity, transparency and respect for the rights, privileges,



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privacy, sensibilities, and property of others in their usage of social media, especially in the business context. By doing so, employees will be abiding by applicable laws, including copyright law, and the District's Information Technology policy. Employees are expected to protect the privacy of the District and its employees. Employees are prohibited from disclosing personal employee information and any other proprietary and non-public information to which employees have access, to the extent such discussion or disclosures are not protected under state or federal law. The District's excellent reputation for integrity and business ethics should never be taken for granted. In order to maintain this excellent reputation employees are expected to comply with the District's Code of Conduct and Ethical Standards and exercise good judgment in their decisions and actions involving use of social media.

2.17.2 Definition

Social media is defined as any usage of Web technologies and sites such as blogging (WordPress, Blogger, etc.); microblogging (e.g. Twitter, Foursquare, etc.), photosharing (e.g. Flickr, Twitpic, etc.), video sharing (e.g. YouTube, Vimeo, Viddler, etc.), social networking (e.g. Facebook, Linkedlin, Plaxo, etc.) and so forth. The absence of, or lack of explicit reference to a specific site does not limit the extent of the application of this policy.

2.17.3 District Business Use

Only employees in positions approved by their Department Heads to use social media may use District resources and/or District time to conduct such activities and then within policy guidelines. Employees authorized to use social media as a part of their job responsibilities are expected to differentiate their business identity from his or her personal identity in online social networking situations.

2.17.4 Personal Use

Consistent with the District's Information Technology policy,

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personal use of District electronic resources to access social media environments is to be conducted on personal time (i.e., during designated breaks or meal periods) and is limited to incidental use. Incidental use must not interfere with an employee's job performance or another employee's job performance or compromise the functionality of the District's network.

Individuals using social media for personal use are not permitted to present personal opinions in ways that imply support, endorsement or opposition by the District. Employees are not authorized and, therefore, restricted to speak on behalf of the District. When there is a reasonable possibility for confusion between business and personal statements, including opinions or views on any issue, the statement or material posted must be accompanied by a disclaimer; an explicit statement that the employee is speaking for himself or herself and not as a representative of the District. An example of a disclaimer is: *The contents, including all opinions and views expressed, in my (profile, blog or on my page) are mine alone and do not represent the views of my employer, my co-workers, or any other person.*

2.17.5 Monitoring

The District does not routinely monitor social media sites or usage, however, as with other electronic resources, the District Information Technology Department staff may perform activities necessary to ensure the integrity, functionality and security of the District's electronic resources. Related District policies on Employee Relations such as Unlawful Harassment and Code of Conduct and Ethical Standards apply in the social media environment. Employees need to be aware other employers, organizations and individuals do monitor and share information they find in social media forum. Posted information is public information.

Ultimately employees are solely responsible for what they post online. Before creating content, employees should consider some of the risks and rewards that are involved, including conduct that adversely affects job performance, the performance of coworkers, or

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otherwise affects employees, customers, suppliers and people who work on behalf of the District and the District's interests.

2.17.6 Violation of Policy

The District requests and strongly urges employees to report any violations or possible or perceived violations to their immediate supervisor and/or manager or Human Resources. Violations include discussions of the District and its employees, discussion of proprietary and non-public information, and any unlawful activity related to blogging or social networking, to the extent such discussions are not protected under state or federal law.

In response to concerns, complaints or information provided by individuals, District staff may look at the social media environment and any identified violations of District policies will result in disciplinary action up to and including termination.

2.18 Outside Employment/Outside Business Interests

2.18.1 Policy

In order to maintain a work force that is fit and available to provide proper services and carry out functions of the District, employees are restricted from engaging in outside employment and/or outside business interest if it conflicts with District employment.

2.18.2 Conflicting Employment

Outside employment and/or outside business interest is considered in conflict with District employment if it:

1. Interferes with or negatively impacts the employee's ability to perform his/her assigned job.
2. Prevents the employee's availability for work beyond normal working hours, such as emergencies or peak work periods,

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when such availability is a regular part of the employee's job.

3. Is conducted during the employee's work hours.
4. Requires the services of other employees during their normally scheduled work hours.
5. Makes use of the District's telephones, computers, supplies, or any other resources, facilities, or equipment.
6. Is represented as or perceived to be an activity of the District or an activity endorsed, sanctioned, or recommended by the District.
7. Requires the employee to schedule time off at specific times that could disrupt the operation of the District or interfere with the employee's obligation to the District.
8. Results in a public impression or appearance of impropriety or conflict with the employee's commitment to the District as an employee.

2.18.3 Procedure

1. An employee must notify his/her supervisor or manager of the outside employment and/or outside business interest if such outside employment and/or outside business interest may be reasonably perceived to be in possible conflict with his/her employment, or if the employee is unsure about a perceived conflict or his/her obligations to the District.
2. If there is an actual or perceived conflict between the employee's outside employment and/or outside business interest and the employee's employment with the District, the supervisor or manager will inform the employee that the outside employment and/or outside business interest is not allowed or is allowed only under certain conditions.

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3. In the event of such a determination, the employee will be asked to take the appropriate action requested or to terminate the outside employment if she/he wishes to remain an employee of the District.
4. Determinations by the District may be reviewed and modified by the District at any time in its discretion. Employees adversely impacted by a re-determination will be notified and provided a reasonable time period to take appropriate action to terminate the outside employment and/or outside business interest if she/he wishes to remain an employee of the District.

2.19 Use of Tobacco

The District is committed to providing a safe and healthy workplace and to promoting the health and well-being of its employees. As required by NRS 202.2483 (Nevada Clean Indoor Air Act) and also motivated by the District's desire to provide a healthy work environment for all employees, the use of tobacco products, including electronic cigarettes and similar products, excluding "nicorette" gum is prohibited within any building owned, leased, contracted for and utilized by the District. This prohibition extends to anywhere within work areas that are routinely or regularly used by employees including but not limited to: work areas, restrooms, hallways, employee lounges, cafeterias, conference and meeting rooms, lobbies, and reception areas. The District may designate an outdoor smoking area for its employees. Additionally, the District does not allow smoking and the use of tobacco products in all vehicles it owns or uses. Employees of the District are not allowed to smoke in public view while in District Uniform.

2.20 Dress and Grooming

2.20.1 Policy

It is important that District employees present themselves as professionals. An element of professionalism is dress attire. Appropriate and professional business and casual attire, professional demeanor, and personal hygiene are important in maintaining a positive image for the District.

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All District employees must observe appropriate grooming and personal hygiene and need to report to work in neat, clean and appropriate business attire, including appropriate footwear. It is preferred that tattoos and head jewelry are not visible, specific department manager approval will be needed. Clothing that is inappropriately casual and/or noticeably worn, faded, tight fitting or revealing is not allowed. Examples include, but are not limited to low hanging, baggy pants, tank tops, tube tops and spandex pants.

Some departments have found it necessary to establish a stricter dress code, including requiring uniforms. Each department is responsible for describing its code to its employees.

Employees unsure whether attire or grooming is appropriate should ask his/her supervisor.

2.20.2 Enforcement

When an employee's dress or grooming does not meet with the professional image of the District, the immediate supervisor will discuss the issue with the employee. Employees may be sent home to change and will not be paid for the time away from the workplace. If continued counseling fails to result in the desired response, the supervisor may initiate disciplinary action.

2.21 Domestic Partners

The District recognizes a domestic partnership exists where two individuals (all genders included), have registered with the appropriate office of the State in which they reside and have received a state issued certificate of domestic partnership.

2.21.1 Coverage

Full-time/year-round, multi-seasonal/year-round, part-time year round employees in benefited positions, and seasonal managers are

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covered by this policy and can elect coverage for their domestic partners. This includes coverage for District provided health care benefits, recreational privileges (status specific), sick leave use, annual leave use, family illness and bereavement leave to care for their domestic partners or the dependents of a domestic partner, as applicable.

2.21.2 Certificate of Domestic Partnership

No person will be recognized as a domestic partner until they have registered with the appropriate office of the State in which they reside and have received a state issued certificate of domestic partnership.

2.22 Employee Dating/Marriage and Supervisory/Managerial Dating

2.22.1 Policy

The District recognizes that an environment where employees maintain clear boundaries between personal and workplace interactions is most effective for conducting business. Although this policy does not prevent the development of friendships or romantic relationships between coworkers, it does establish boundaries as to how relationships will progress during working hours and within the working environment. Individuals in supervisory/managerial roles are subject to more stringent requirements under this policy. However, employees in supervisory/managerial positions are precluded from having a romantic relationship with any subordinate employee.

2.22.2 Scope

1. No spouse, significant other, live-in partner, child or other family member, within the first degree of Consanguinity or Affinity (see Appendix A Consanguinity/Affinity Chart), shall serve in the same department, division or facility in a benefitted capacity. Departments are defined as Public Works, Parks & Recreation, Golf, Ski and Administration.

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2. If two benefitted employees enter into one of the defined relationships within the first degree of Consanguinity or Affinity during the course of their mutual employment, it must be disclosed to Human Resources. If it is determined by management that a relationship adversely effects the work environment, one of the two employees must change jobs or voluntarily leave the District within 6 months.
3. If the relationship is not brought to the attention of Human Resources and it is exposed, Human Resources will make the determination if one employee must change jobs or voluntarily leave the District within 6 months.
4. Relationships that are already established prior to the enactment of this policy will be allowed to exist; unless it has been determined by management and/or Human Resources the relationship adversely affects or poses a potential conflict of interest in the department.
5. If the District has a re-organization that places an existing relationship in the same department, division or facility, the District reserves the right to subject that relationship to review at its convenience.

Relationships that are documented with the District prior to April 1, 2014 will be subject to continued review at the District's convenience. Where problems or potential risks are identified, management will work with the parties involved to consider options for resolving the problem. The initial solution may be to make sure the parties involved no longer work together on matters where one is able to influence the other or take action for the other. Matters such as hiring, firing, promotions, performance management, compensation decisions, financial transactions, etc. are examples of situations that may require reallocation of duties to avoid any actual or perceived reward or disadvantage. In some cases other measures may be necessary. If it has been determined by management and/or Human Resources that the relationship adversely affects business

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operations, one of the two employees must consider applying for another available position within the district or voluntarily leave the District within 60 days.

For those benefitted employees hired or transferred after April 1, 2014, will not be allowed to be the same department with a family member within the first degree of consanguinity & affinity. If two benefitted employees enter into a romantic relationship it must be disclosed to Human Resources. If employees do not disclose a relationship to Human Resources or management and Human Resources or management observe behavior that is perceived to be a romantic relationship, Human Resources and management reserve the right to enter into communication with the employees to discuss possible outcomes.

2.22.3 Supervisor/Manager Responsibilities

1. Employees employed in supervisory/managerial positions need to be aware of their status as role models, their access to sensitive information, and their ability to influence others. It is because of this, employees in supervisory/managerial positions are precluded from participating in a romantic relationship with a subordinate employee.
2. Violation of this policy could result in disciplinary action up to and including termination.

2.23 Children in the Workplace

To avoid disruptions to the employee and coworkers, potential distractions in serving members of the community and to reduce personal and property liability, employees are requested not to bring children to the workplace. This policy is intended to address the presence of children while the employee is on duty and does not include official functions or activities promoted by the District, or planned visits from children to the workplace.

Supervisors may grant a temporary exception to this rule, to accommodate

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the employee. If an exception is granted, it is the responsibility of the employee to supervise and control the movements of the child. It is not acceptable to request an accommodation to bring sick children into the workplace.

2.24 Related Forms

- Consanguinity/Affinity Chart
- Documentation for Reasonable Suspicion Drug/Alcohol Testing
- Drug/Alcohol Test Informed Consent
- Suggested Steps for Reasonable Suspicion Drug/Alcohol Testing
- District Cellular Telephone/Radio Agreement
- Personal Cellular Telephone/Mobile Device Use Agreement
- Personnel Action Notice (PAN)
- Acknowledgement and Waiver Regarding Employee Dating
- Disciplinary Actions Behavior Incident Report

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3. EMPLOYMENT

THIS POLICY COVERS HIRING FOR YEAR-ROUND FULL AND PART- TIME BENEFITED POSITIONS, SEASONAL MANAGER AND MULTI- SEASONAL YEAR-ROUND POSITIONS. SECTIONS 3.3, 3.14, 3.15, 3.16, AND 3.17 APPLY TO HIRES IN ALL EMPLOYMENT STATUSES.

3.1 Scope

Hiring appropriately qualified individuals is critical to the continued success of the District. It is recognized that the role of the department is critical in the hiring process and that utilizing the subject matter expertise of those in the hiring department will help ensure the selection of the most appropriately qualified candidate for each position. Therefore, in addition to involving department management, establishing a consistent selection process for recruiting, testing, and hiring is vital to the District's continued success.

3.2 Job Announcements

Position vacancies will be posted a minimum of five work days to allow potentially qualified and interested individuals to learn of employment opportunities. If the Department Head determines that sufficient candidates exist within the District, the Department Head may limit applicants for the position to current District employees. These positions will be posted on the District's Intranet. If the vacancy is for a Seasonal Manager position, and it has been identified the person who held the position the previous season the District do not need to re-post the position as a job vacancy. If there are not sufficient candidates within the District's workforce, then the recruitment efforts will begin by posting the opportunity on the District's website as well as the District's Intranet. To encourage applicants from diverse sources, position opportunities will be posted on other identified websites, newspaper advertisement, professional publications or associations as the Department Head feels appropriate. Additionally, employees will be notified via email of

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position opportunities. The announcement will normally include:

1. Title and salary of the position;
2. Nature of the work to be performed, including the essential job functions;
3. Minimum as well as any preferred qualifications, including education and/or experience, knowledge, skills, and abilities, as well as required certification;
4. Manner of applying; and
5. Notice that the District is an Equal Employment Opportunity (EEO) employer, and Americans with Disabilities (ADA) accommodations are available.

3.3 Applications (*applies to hires in all employment statuses*)

Applications for employment may either be completed on-line or on the District approved application form. Applicants must complete a separate application form for each vacancy unless they are applying for multiple positions and so indicate on the application form. The hiring manager may also require resumes, completed supplemental questionnaires, and other evidence of education, training, experience, or other lawful requirements. Applications submitted become the property of the District.

3.4 Application Filing Periods

Vacancy announcements will specify the application filing period. Applications must be received by the date specified. The filing period may end on a specific date and/or may allow acceptance of applications until a sufficient number of appropriately qualified candidates have applied. The Human Resources Department, consulting with department management, will determine when sufficient applications have been received. The filing period will end at the close of the business day or at the specific time stated on the

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vacancy announcement.

All application must be submitted to the District's Human Resources Department and will be entered in an applicant tracking system and routed to appropriate departments.

3.5 Disqualification of Applicants

An applicant may be disqualified from consideration for employment if, but not limited to:

1. The application does not indicate the applicant possesses the qualifications and skills required for the position.
2. The application is not fully and/or truthfully completed.
3. The applicant has prior convictions that relate to the position for which s/he is being considered. Prior conviction will not automatically disqualify an applicant from employment; however, an applicant's prior conviction of a crime may be considered in the employment decision.
4. The applicant has been discharged from or resigned in lieu of dismissal from any prior employment for any cause which would constitute a reason for dismissal from employment with the District.
5. The applicant does not appear at a scheduled interview.
6. The applicant demonstrated an unsatisfactory employment record.
7. The applicant is a former employee who is not eligible for re-hire.
8. All information should be forwarded to Human Resources where it will be included as part of the official applicant screening process and/or employment record.

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3.6 Selection Process

The techniques used in the selection process will be impartial and practical, and should relate to the qualifications and suitability of applicants to perform the job duties and responsibilities. Factors evaluated through the selection process may include, but are not limited to, the knowledge, ability, skill, achievement, physical and mental fitness, and job-related personal characteristics including customer service skills. The selection process may include any or combination of the following selection techniques:

1. Evaluation of the employment applications;
2. Assessment of experience, training, and/or education;
3. Written or computer tests;
4. Individual and/or group interviews;
5. Performance tests; and
6. Evaluation of work performance and work samples.

The District may determine, at any point of the recruitment process that only those applicants who are considered most appropriately qualified for the vacancy being filled will continue to be considered.

3.6.1 *Interviewing Applicants*

Selecting the most appropriately qualified candidate for the position will reduce turnover, reduce the costs associated with training, and improve the effectiveness of the District. Once applications have been evaluated and a determination has been made regarding which applicants are selected for an interview versus those who will not be interviewed, all applicants should be notified of their status. The hiring

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manager will notify Human Resources of those candidates that will not be interviewed so that letters may be sent to them.

The interviewing portion of the selection process is critical for determining which applicants are the most appropriately qualified to do the job. Prior to conducting the interview, managers should:

1. Review the job description.
2. Create job-related questions to ask each candidate to help ensure consistency. Ask open-ended, job-related questions about past work experiences to identify skills and strengths. Have candidates describe an actual situation or instance that allows him/her to demonstrate how they actually responded to that situation, rather than what she/he thinks you want to hear.
3. Convene an interview team made up of knowledgeable individuals within the department, District, or if applicable, the community.

Each candidate interviewing for the position should be asked the same job-related questions. The questions should help measure the extent to which each candidate possesses the necessary knowledge, skills, and abilities required for the position. When necessary, ask follow-up questions to clarify the responses of the candidates. Avoid asking questions that are unlawful and/or not related to the position. Sample questions are available from Human Resources Department.

3.6.2 Selection Decision

Employment decisions must be based solely on merit. Consistent with applicable federal, state, and local laws and regulations employment decisions may not be influenced by race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry,

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disability and/or veteran status. The hiring manager has ultimate responsibility for the selection of the candidate for hire; however, he/she should take input from the other members of the interview team. The hiring manager is responsible for ensuring the selected candidate meets the required level of education, experience, certification, license, etc. The hiring manager will document the basis of their decision to select a particular candidate; i.e. why he/she is the most appropriately qualified and the best fit for the position. The hiring manager must also document why other candidates were not selected. The hiring manager will submit all documentation related to the selection process to the Human Resources Department for inclusion in the recruiting file.

3.6.3 Interview Expense

The General Manager may approve certain reasonable expenses for final applicants who come from out-of-state for management level positions.

3.7 Reference Checks

Acquiring and providing accurate employment references is an important component of acquiring, retaining, and providing relevant information concerning employees. Therefore, the District is committed to adhering to the following procedure whenever conducting a background/reference check for an applicant for employment or when responding to inquiries from others for information regarding a current or former employee.

3.7.1 Acquiring References

Reference checks are conducted to assist the District in assessing an applicant's fit with employment with the District. Any employee of the District who attempts to acquire reference information on an applicant must comply with the following:



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1. Obtain a District employment application that is signed and dated by the applicant. The applicant must have completed all relevant sections of the application.
2. Obtain authorization from the applicant by means of his/her signature directly on the application and/or separate release form for the release of information from former employers, military, educational institutions, other institutions, personal references, and their individuals listed on the application. Authorization for release of such information by the applicant includes a release from liability of any company, institution, or individual providing such information. If an applicant refuses to sign such a release, s/he will be eliminated from further consideration for employment with the District.
3. Inform the applicant that the District will conduct a background/reference check and that evaluating the applicant's suitability for employment includes contacting employment and other references, educational institutions, and personal and professional associates to verify information provided.
4. Develop questions that are related to the essential functions of the position and are non-discriminatory. Questions related to an applicant's training, knowledge, skills, production, timeliness of work, and ability to work with others are examples of appropriate inquiries. Discriminatory or non-work related questions such as family or marital status, disabilities, age, and related areas are not appropriate.

Note: For safety-sensitive positions as defined by 42 CFR Part 382 and U.S. Department of Transportation regulations, the District will obtain, pursuant to an applicant's written consent, information on his/her alcohol tests with a concentration result of .02 or

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greater, verified positive controlled substance test results, and refusals to be tested within the preceding two (2) years from date of application which are maintained by the previous employers.

5. Identify the appropriate individual(s) to question regarding the applicant's work performance, knowledge, skills, and abilities related to the essential functions of the position.
6. Adequately document the conversation and record refusals to provide information.
7. Maintain strict confidentiality of all background/reference information. Only employees, supervisors, or management officials of the District who have a demonstrable work-related need-to-know should be accorded access to such information.
8. All information obtained should be forwarded to Human Resources where it will remain as a part of the official applicant screening process and/or employment record.

3.7.2 Providing References

All requests for employment information will be referred to the Human Resources Department. Only those personnel designated by the Director of Human Resources are authorized to release employment information to third parties.

The District has a neutral reference policy as well as a confidential information policy. Only the following personnel information and employment records that the District maintains concerning current and former employees will be provided upon request:



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1. Name
2. Job Title
3. Dates of Employment
4. Salary
5. Information regarding an employee terminated for violent actions in the workplace or who may have demonstrated dangerous behavior in the workplace will be provided only after consultation with District's General Counsel.
6. Employment information and opinions regarding the character, honesty, and potential for violence of the District's employees may be provided to governmental employers, including, but not limited to, any federal, state, county, municipality or city employers, or any other private (non-governmental) employer where the employee's character, honesty, sexual misconduct, and include, but are not limited to, jobs which involve public potential for violence are relevant issues. Examples safety, entrustment for the care or safety of children, the elderly, or positions having access to money and/or valuables. The District must provide information requested by law enforcement agencies in accordance with NRS 239B. The District does not provide letters of reference.
7. Records which are required for employees in safety-sensitive positions, as defined in 42 CFR Part 382 and U.S. Department of Transportation regulations, will be made available to subsequent employers upon receipt of written request from the employee or former employee.



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8. In accordance with NRS 239.012, a public officer or employee who acts in good faith in disclosing or refusing to disclose information and his/her employer are immune from liability for damages, either to the requester or to the person whom the information concerns.

3.8 Offers of Employment

3.8.1 *Job Offer Letters*

After an applicant has been selected for employment or promotion, the Department Head will extend an official written offer of employment. The written offer must be approved by the Department Head, the Director of Human Resources and the General Manager prior to extending a verbal offer of employment. The hiring supervisor or manager may contact the selected applicant by telephone to determine whether there is continued interest in employment and to indicate that a request for hire has been made, but must state that only a notification in writing can be considered as an official job offer. Offers of employment may be made contingent upon the results of a background check, the applicant passing certain additional tests, and/or submitting other documentation of qualifications when such are relevant to the specific job in question. All offers of employment are contingent upon the candidate providing original documents verifying his/her right to work in the United States and completing a Form I-9, Employment Eligibility Verification.

3.8.2 *Notifications*

The hiring supervisor or manager will notify all unsuccessful applicants interviewed that they have not been selected, either verbally or in writing. The hiring supervisor will document any verbal notification and forward the information to the Human Resources Department. Human Resources will notify applicants that were not selected for interviews.

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3.8.3 Conditional Offers

All offers of initial and continuing employment are conditioned upon the applicant furnishing satisfactory evidence of identity and legal authority to work in the United States. Each applicant must attest to his/her identity and legal authority to work in the United States in accordance with the applicable federal statute by completing and signing Form I-9, Employment Eligibility Verification. Depending on the specific position, offers of employment may also be contingent upon passing a background check, submitting documentation of qualifications, and/or obtaining job-required licenses.

3.9 Probationary Period

All new and rehired employees in a benefited eligible position, except those identified as "at-will," will serve a 12 month probationary period. Current employees who are promoted or transferred will also be required to serve a 12 month probationary period. During this probationary period, the employee and the District have the opportunity to evaluate one another and determine whether the employee is a good fit for the position. At its sole discretion, the District may extend this probationary period up to six months when the District has had insufficient opportunity to assess the employee's ability to perform the job functions or such extension is determined appropriate. The employment relationship can be terminated by the employee or by the District at any time during the probationary period or during the extension of the probationary period, with or without cause or advance notice.

Prior to completion of the probationary period, the supervisor will conduct at least one performance evaluation to determine the advisability of continued employment.

3.10 Transfers

A transfer is a lateral move to a job in the same pay range as the

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employee's present position. An employee who wants to transfer to another available position must be qualified for the identified position and complete a District Application form. If the transfer is to another department, after notifying his/her current supervisor, the employee must then contact the hiring supervisor or manager, who will consider the transfer request by conducting discussions with the employee and appropriate supervisors or managers with knowledge of the employee's job performance. The hiring supervisor will also consider the employee's past performance, qualifications, abilities, and job experience as key factors in evaluating transfer requests. Approval of the transfer is at the sole discretion of the District.

3.11 Promotions

The District encourages employees to apply for promotional opportunities for which they are qualified. Promotions will be based on the qualifications of all candidates for the positions. Employees interested in announced positions must complete a District Application form which will be provided to the hiring supervisor or manager. Employees must also inform their current supervisor or manager of their intent to apply for a promotional opportunity.

3.12 Reassignment

District management reserves the right to reassign employees based upon the needs of the District. Reasonable attempt will be made to place employees into vacant positions without the need to decrease pay and/or other benefits.

3.13 Bridging of Service

The District may reinstate a former employee who worked at least one year and held a full-time year-round benefitted position at the time of termination. The individual must be re-hired into a full-time year-round benefitted position within five years of termination to be considered for bridging of service. Upon reinstatement, the District will use an adjusted hire date, which provides a length of service equal to the original service time minus the time away from the

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District. Bridging employees are only eligible for the current benefits offered to new hires at the time of their rehire date. The benefits that will be bridged will be vacation accrual rate and Pension eligibility vesting schedule. Sick time or sick leave buy back will not be bridged. Employees will not be entitled to any benefits or contributions for the period they were not on the District's payroll.

3.14 Employment of Minors (applies to hires in all employment statuses)

Pursuant to the Fair Labor Standard Act (FLSA) for this policy minors are defined as individuals ages 14 and 15 years old. No person will be hired into a District position under the age of 14. Those employees, ages 14 and 15, may only be allowed to work as follows:

While School is in Session

Work only outside regular school hours Work only between 7:00 a.m. – 7:00 p.m. Work no more than three hours per day Work no more than 18 hours per week

Not During School Session

Work only between 7:00 a.m. – 9:00 p.m. Work no more than eight hours per day Work no more than 40 hours per week

During School Breaks

Same as "Not During School Session"

Supervisors must adhere to the Fair Labor Standards Act (FLSA) regulations on prohibited employment for minors 14 to 16 years of age.

3.15 District Orientation (applies to new hires in all employment statuses)

The District recognizes that an appropriate and timely orientation program aids in the assimilation of new staff members.



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The hiring supervisor or manager will be responsible to ensure every new hire attends District orientation. District orientation includes, but is not limited to, a review of the organization and services of the District, work rules, standards of performance, and personnel policies and procedures including the policies relating to fair employment practices, illegal harassment, workplace violence, and alcohol and drug abuse. Customer Service training will be included in the District's orientation to ensure all employees are aware of the District's culture of Customer Retention Service Excellence. Additionally, the supervisor or manager will ensure that the new employee:

1. Has completed all new hire paperwork including payroll and benefit forms;
2. Will receive or be provided access to the District's personnel policies;
3. Has been introduced to other employees; and
4. Has had the opportunity to have questions addressed.

3.16 License/Occupational Certification (applies to all employment statuses)

3.16.1 Purpose

The District mandates that, if required by the current job, all employees obtain and maintain a valid license, certificate, permit, or other occupational certification issued by the state, county, city, or other applicable authority. Under no circumstances will an employee operate a District vehicle without an appropriate driver's license.

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3.16.2 Employee Responsibilities

1. All employees who must possess a valid license, including a driver's license, certificate, permit, or other occupational certification as required by their position, must adhere to the provisions of NRS Chapter 425 including those provisions relating to paternity determination and child support.

Employees in positions that require a valid driver's license must notify their supervisor immediately if their license is suspended or revoked. In the event the employee receives notice of revocation or non-renewal of a license, certificate, permit, or occupational certification as a result of a violation of NRS 425, s/he will immediately notify his/her supervisor. The employee will not perform any task for which the license, certificate, permit, or other occupational certification is required after the license, certificate, permit, or occupational certification has been non-renewed or revoked.

If the employee has been notified and does not satisfy any noted deficiency within thirty days from receipt of notice, his/her renewal license, certificate, permit, or occupational certification, by statute, will not be approved and will be revoked or suspended by the issuing agency. This action will remain in effect until s/he satisfies the deficiency. If the District Attorney schedules a hearing to review the case, the employee's license, certificate, permit, or other occupational certification will remain valid pending the results of the hearing.

2. In the event the employee does not have a valid license, certificate, permit, or occupational certification, s/he does not meet the job requirements. Failure to meet the job requirements will result in reassignment or

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termination.

3.17 **Fingerprinting** *(applies to all employment statuses)*

District employees and volunteers, 18 years or older, whose position requires routine contact with children and/or seniors, or those having access to the records of children, and employees serving or selling alcohol must be fingerprinted. Fingerprinting requirements are identified in the job descriptions.

The District requires an "Authorization of Records Search" form be completed and signed by the employee or volunteer being fingerprinted. Employees in positions that have a requirement for a Washoe County Work Permit must complete the Washoe County Sheriff's Office Application for Work Permit prior to being fingerprinted. An offer of employment is contingent upon the results of the record search completed after being fingerprinted.

Assembly Bill 155 is a new law passed by the 2013 Nevada State Legislative Session. Effective October 1, 2013, IVGID is responsible to inform employees & volunteers holding positions involved in organized activities for children, of their mandatory duty to report any suspicion of child abuse and neglect. Because this is a "written obligation," employees in specific positions must complete a form to confirm they have been made aware of the reporting responsibility. IVGID will provide a copy of this acknowledgement to the employee and retain one in the employee's file. Staff has identified the positions required to complete the acknowledgement.

3.18 **Volunteer Program**

3.18.1 ***Purpose***

The District recognizes that there are benefits to members of the community to become involved in the delivery of the District's programs and services for primarily civic, charitable or humanitarian reasons. Individuals have an interest in assisting public agencies by applying their knowledge, skills,

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and experiences to worthwhile endeavors on a volunteer basis. Also, the community and the District receive enhanced services because of the individual's specialized skills and commitment. Using volunteers is a true win-win situation for those willing to volunteer for the District and for the community. FLSA regulations state that volunteer work for their employer must not be a part of their regular job duties, and cannot be performed during their regular working hours.

3.18.2 Scope

This policy covers the essential elements of an effective volunteer program which is compliant with applicable state and federal regulations pertaining to the District's volunteers. As this policy is broad in scope, individual departments should establish additional specific requirements consistent with this policy to guide the use of volunteers within the specific program areas.

3.18.3 Planning

Prior to implementing a volunteer program, a department will develop a plan for utilizing volunteers.

1. The plan **may** include:
 - a. Job assignment descriptions for each volunteer.
 - b. A statement describing how and by whom volunteers are overseen.
2. The plan **must** include:
 - a. A needs assessment and a statement outlining how volunteers will be used to meet these needs;
 - b. A budget for any personnel costs, operating

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costs, and direct and indirect costs

- c. A program to recognize and reward volunteer services.

3.18.4 Recruiting, Screening, Interviewing, and Selecting Volunteers

As it is with employees, the District's ability to meet its goals and objectives is directly related to the skill and ability of volunteers selected. Criteria for selecting volunteers should be developed in the same manner as used for selecting new employees.

The District prohibits discrimination, harassment, or retaliation directed at volunteers on the basis of their race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, and/or veteran status.

The recruitment, screening, and interviewing process should be planned and sufficiently thorough to result in selecting the best volunteer possible for departmental needs.

Volunteer applicants engaged in activities for the District on a regular basis will complete the District's volunteer application, including an acknowledgment that the function to be performed is not a paid position and the person is truly volunteering his/her services.

The Department Head or designees will solve problems associated with the volunteer's performance or behavior. However, if problems cannot be corrected, the services of the volunteer should discontinue.

Specific requirements that apply to employees in certain occupations such as fingerprinting apply to volunteers performing similar duties or responsibilities. These

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requirements will be coordinated through Human Resources Department.

3.18.5 Managing Volunteers

Volunteers will receive appropriate oversight for the functions performed including an orientation to the District's policies and procedures, departmental operating procedures, safety practices, and other relevant information. This orientation will be provided by the Department Head or designee.

Day-to-day oversight of volunteers will be conducted as with employees. Adequate equipment and supplies, as well as a safe working environment, will be provided for volunteers.

The Department Head will maintain detailed and accurate records of volunteer activities including a roster of active volunteers. The roster information should include the name of the volunteer, position title, start date. The roster must be sent to the Human Resources Department. The Department Head or designee will remove volunteers from the roster whenever volunteers are inactive for more than thirty (30) days and notify the Human Resources when a volunteer is removed from the roster. The Department Head must ensure that all volunteers complete required District forms.

Volunteers may be reimbursed for expenses incurred. In addition, the District may provide limited and reasonable benefits to volunteers. The benefits provided cannot be in an amount or of a type that implies that the volunteer is being paid a wage or salary for time spent as a volunteer, or for the quantity or quality of the work performed. All such benefits must be approved, in advance, by the Director of Human Resources.

Volunteers are held to the District's Code of Conduct and Ethical Standards. Annual performance evaluations may also be completed on volunteers.

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Volunteers serve at the pleasure of the District and are subject to dismissal at any time with or without cause.

3.19 Related Forms

- Employee Authorization of Records Search
- Employment Application
- I-9 Form
- Volunteer Agreement and Emergency Contact
- Volunteer Application
- Volunteer Authorization of Records Search
- Volunteer Release of Liability
- Volunteer Worker's Compensation Waiver

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4. COMPENSATION PLAN

4.1 General

The District's compensation philosophy compliments its business strategies and objectives by providing a competitive total compensation framework designed to attract and retain a quality workforce. Demonstrated excellence may be rewarded with pay for performance.

The District's compensation programs and practices will comply with all relevant government regulations, meet the District's business needs, and be reflective of appropriate market based data.

4.2 Pay Periods and Paydays

Pay periods begin on a Sunday at 12:00 a.m. and end two weeks later on Saturday at 11:59 p.m. Employees will be paid every other Friday. If a Friday payday falls on a District observed holiday, employees will be paid the preceding Thursday.

4.3 Work Week Defined

The normal work week begins at 12:00 a.m., on Sunday and ends seven (7) days (168 hours) later at 11:59 p.m. on the next Saturday. Employees working an agreed upon "flex schedule" have a documented different work week.

4.4 Work Time

4.4.1 *Attendance*

Employees are expected to be at work and ready to work at the beginning of their assigned shifts. Employees are also expected to return from meal and break periods in a timely manner.

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4.4.2 Work Schedules

Work hours are scheduled according to the needs of the District. The following applies for full-time year-round employees:

1. Employees working a five-day, forty-hour week (designated 5/8) work eight (8) hours per day for five (5) days in any work week and receive two (2) days off.
2. Employees working a four-day, forty-hour week (designated 4/10) work ten (10) hours per day for four (4) days in any work week and receive three (3) days off.
3. Employees working a flex schedule, (designated flex) have documented different workweeks which begin on their identified flex day.

For all other employees your Department Head, Manager, or Supervisor will identify your work schedule, based on the needs of the District.

4.4.3 Rest Periods

Employees are allowed a ten (10) minute break or rest period for each work period of four (4) or more hours.

4.4.4 Lactation Breaks

Lactation break time requirement for nursing mothers in the Patient Protection and Affordable Care Act ("PPACA"), which took effect when the PPACA was signed into law on March 23, 2010 (P.L. 111-148). This law amended Section 7 of the Fair Labor Standards Act (FLSA).



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1. General Requirements

Employers are required to provide “reasonable break time for an employee to express breast milk for her nursing child for 1 year after the child’s birth each time such employee has need to express the milk.” Employers are also required to provide “a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk.”

The FLSA requirement of break time for nursing mothers to express breast milk does not preempt State laws that provide greater protections to employees (for example, providing compensated break time, providing break time for exempt employees, or providing break time beyond 1 year after the child’s birth).

2. Time and Location of Breaks

Employers are required to provide a reasonable amount of break time to express milk as frequently as needed by the nursing mother. The frequency of breaks needed to express milk as well as the duration of each break will likely vary.

A bathroom, even if private, is not a permissible location under the Act. The location provided must be functional as a space for expressing breast milk. If the space is not dedicated to the nursing mother’s use, it must be available when needed in order to meet the statutory requirement. A space temporarily created or converted into a space for expressing milk or made available when needed by the nursing mother is sufficient provided that the space is shielded from view, and free from any intrusion from co-workers and the public.

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3. Coverage and Compensation

Only employees who are not exempt from section 7, which includes the FLSA's overtime pay requirements, are entitled to breaks to express milk. While employers are not required under the FLSA to provide breaks to nursing mothers who are exempt from the requirements of Section 7, they may be obligated to provide such breaks under State laws.

Employers are not required under the FLSA to compensate nursing mothers for breaks taken for the purpose of expressing milk. However, where employers already provide compensated breaks, an employee who uses that break time to express milk must be compensated in the same way that other employees are compensated for break time. In addition, the FLSA's general requirement that the employee must be completely relieved from duty or else the time must be compensated as work time applies.

4. FLSA Prohibitions on Retaliation

Section 15(a)(3) of the FLSA states that it is a violation for any person to "discharge or in any other manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on an industry committee."

Employees are protected regardless of whether the complaint is made orally or in writing. Complaints made to the Wage and Hour Division are protected, and most courts have ruled that internal complaints to an employer are also protected.



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Any employee who is “discharged or in any other manner discriminated against” because, for instance, he or she has filed a complaint or cooperated in an investigation, may file a retaliation complaint with the Wage and Hour Division or may file a private cause of action seeking appropriate remedies including, but not limited to, employment, reinstatement, lost wages and an additional equal amount as liquidated damages.

4.4.5 Meal Periods

Employees who work eight (8) or more hours are allowed an uninterrupted, unpaid meal period of at least thirty (30) minutes. If an employee’s meal period is less than thirty (30) minutes or if an employee performs any job duties during their meal period, then the meal period will be paid as hours worked.

Depending on the working environment, an employee may be allowed to combine a break and a meal period in the middle of their work day, with supervisor approval.

4.4.6 Work Assignments

Work should be scheduled in a manner which allows employees rest and meal periods. Rest and meal periods are scheduled by the supervisor in a manner that allows maximum public access to the District’s services. The supervisor may adjust rest and meal periods from time to time to meet the needs of individual employees and/or to respond to changes in department workload.

4.5 Time Reporting

4.5.1 Purpose

Recording of hours worked and/or leave time taken by

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employees are necessary to provide an accurate basis for preparing paychecks, to assure compliance with federal and state law, and to maintain an effective and efficient cost accounting system. For payroll purposes, non-exempt and recreational-exempt employees covered by the Fair Labor Standards Act (FLSA) must report all time spent performing work.

4.5.2 Hours Worked

Non-exempt and recreational-exempt employees will be paid for all hours worked. Hours worked include, but are not limited to:

1. Time worked before or after the normally assigned shift, or any other irregular hours, **even if the employee volunteers his/her time.**
2. Rest periods of ten (10) minutes or less.
3. Travel time that occurs during an employee's normally scheduled work hours, including regular days off, holidays, etc.
4. Hours spent at lectures, training activities and/or when working at home when approved by the supervisor.

4.5.3 Position Designations - Exempt, Non-Exempt or Recreational-Exempt

All positions are identified as "exempt", "non-exempt", or "recreational-exempt" according to federal and state laws and regulations. Only employees in positions designated "non-exempt" are eligible for overtime compensation.



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4.5.4 Responsibility for Exempt, Non-Exempt, or Recreational-Exempt Designation

The Director of Human Resources or designee examines and evaluates all position descriptions and duties performed to determine the designation of the position as exempt or non-exempt or recreational-exempt. Department Heads or Managers will notify the Director of Human Resources when the duties of a position have substantially changed in order to ensure an accurate designation.

4.5.5 Responsibility for Time Reporting

The District has chosen to use an automated time reporting system. Employees are responsible for scanning in and out of work. Supervisors are **not** to alter or adjust employee punches, unless it is necessary to ensure the employee is paid properly. All adjustments **must** be documented as to why the adjustment was made in order to comply with Fair Labor Standard Act (FSLA).

4.6 Overtime

4.6.1 Non-Exempt Employees

1. Employees in positions designated as “non-exempt” will be eligible for overtime compensation for hours worked in excess of ten (10) hours in any one (1) work day or hours worked over forty (40) in one (1) work week.
2. Employees working in dual positions are overtime eligible if any one of the positions is designated as non-exempt.
3. All overtime hours must be specifically authorized in advance by the employee’s supervisor or manager. Overtime will be compensated at one and one-half (1.5) times the employee’s regular rate of pay. Employees

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who earn overtime may, with the approval of the supervisor, elect to receive compensatory time off in lieu of overtime pay. Compensatory time will be earned at the rate of one and one-half (1.5) hours off for each overtime hour worked. Employees who elect compensatory time off may accrue up to 80 hours. When an employee has exceeded the maximum number of hours specified, the excess hours will be paid out as overtime. Compensatory time off is to be taken at the earliest time which is mutually agreeable to the employee and supervisor or manager. Paid overtime will be included in the same paycheck covering the pay period in which the overtime was earned. Any compensatory time on the books will be paid out upon termination.

4. Time paid but not worked, such as sick leave, holidays, and vacation, counts toward hours worked for the purpose of computing overtime hours.

4.6.2 Exempt Employees

Generally, exempt employees are hired with the understanding that they are responsible for accomplishing the duties required for their assigned position. It is District policy to comply with all aspects of the FLSA including its salary-basis requirements. Therefore, making any deductions from the salaries of exempt employees which are not allowed by law is prohibited.

Consistent with the FLSA and NRS, employees in exempt positions are not required to be paid for overtime.

Exempt employees utilizing intermittent leave, under the Family Medical Leave Act (FMLA), may have their pay deducted, including from sick or annual leave balances, for partial day or hour-by-hour absences.



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1. Subject to certain exceptions set forth in the FLSA regulations and FMLA as provided above, if an organization does not have a bona fide vacation and sick leave policy, an exempt employee must be paid the full salary for any work week in which the employee performs any work, regardless of the number of days or hours worked. Exempt employees will not need to be paid for any work week in which they perform no work, unless the employee is on approved paid leave. FLSA provides that deductions may be made when the employee absents him/herself from work for a day or more for personal reasons, other than sickness or accident.
2. The District has bona fide vacation and sick leave policies therefore may deduct a partial days' absence from an employee's accrued leave, but not from the employee's pay or salary. Accordingly, if the employee does not have accrued leave and still works part of a day, the employee must be paid their full salary. However, if an employee does not have accrued leave and is absent for a full day then the District can deduct from the employee's pay or salary for that full day.
3. Deductions will also be made to offset amounts employees receive as jury or witness fees, or for military pay; or for unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions. The District will pro rate an employee's salary based upon the days worked during the initial and terminal pay period of employment.
4. Exempt employees, working in an office environment, are generally expected to be available to perform their job duties during normal business hours (usually 8:00 a.m. to 5:00 p.m., Monday through Friday). It is expected that in order for exempt employees to complete their assigned work from time to time, it will be

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necessary that they work beyond the normal work days and business hours. A manager may choose to recognize an exempt employee for hours worked beyond normal business hours.

- a. In recognition of instances when an employee has completed an extraordinary work assignment and spent substantially more than a typical work week to accomplish the job, managers may allow an exempt employee to take limited periods of time off without using accrued paid leave. This time off is known as Administrative Leave. The amount of time off should correlate with the extraordinary effort and is at the sole discretion of the manager.
- b. There is a cap of 64 hours of Administrative Leave during a calendar year for an exempt employee in recognition of extraordinary work assignments completed. Administrative Leave must be documented in the time & attendance program and approved by the employee's manager.
- c. The limited periods of time off do not constitute additional compensation to exempt employees on an hour-for-hour basis for hours worked in excess of forty (40) hours per week. Accordingly, exempt employees will not accrue a balance of compensatory leave hours.
- d. An exempt employee may be paid overtime, in unusual situations, and not void their otherwise exempt status as specifically provided under the FLSA.

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4.6.3 Recreational-Exempt Employees

Positions identified as "Recreational-Exempt" are positions working only in a seasonal environment and as such employees in recreational-exempt positions are not eligible for overtime compensation. Employees working in dual positions are overtime eligible if one of the positions is designated as non-exempt.

4.6.4 Safe Harbor

As stated above, the District identifies positions as "exempt" and "non-exempt" based on job duties in accordance with the provisions of the FLSA and applicable state law. "Recreational-Exempt" positions are those working only in seasonal environment. If an employee feels the position is improperly identified, s/he should request a review from the Director of Human Resources. A review will be conducted in a timely manner and should an error be identified, the District will act to correct any errors as soon as practicable. The District will not make improper deductions of pay from any employee, regardless of exempt or non-exempt status. Improper deductions should be reported to the Controller or Director of Human Resources. The issue will be investigated and the District will act to reimburse the employee if an error is found. The District will continuously make a good faith commitment to comply with all provisions of FLSA and state laws and intends this policy of correction to satisfy the safe harbor provisions of the FLSA regulations, as amended effective August 23, 2004.

If a non-exempt employee feels s/he has been improperly paid for overtime under the FLSA or state law, it is the responsibility of the employee to seek correction by reporting any error to the Controller or Director of Human Resources within twenty (20) working days of the close of the payroll period in which the error occurred. An investigation will be conducted in a timely manner and the District will act to

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correct any errors as soon as practicable.

Additionally, if a seasonal employee has a concern regarding the Recreational-Exempt status, that concern should be brought to the attention of the Director of Human Resources as soon as possible.

4.7 Rates of Pay

4.7.1 *Compensation Plan*

Each benefitted position will be assigned to a salary grade in the compensation plan. Assignment to a salary grade will be based on the relative level and complexity of the duties, responsibilities, and authority of the job. The District determines the ranges for salary grades based on these considerations:

1. Rates paid by the District for comparable work;
2. Internal relationships of other jobs in the same or similar occupation;
3. Rates paid by other employers for comparable work; and
4. Other financial commitments of the District.

The District may adjust the minimum and maximum for each salary range periodically as changes in any of the factors listed above occur or to recruit and retain qualified employees for each job.

4.7.2 *Starting Salaries*

Supervisors or managers determine the starting salary, within the assigned salary range, taking into consideration the

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experience the new hire brings with them and what others employees in the same or comparable positions are earning. Department Heads must approve starting salaries, prior to an offer being extended. Starting salaries above the mid-point of the salary range must be approved by the General Manager, prior to the offer of employment.

4.7.3 Promotional Increases

Except as may otherwise be provided by a collective bargaining agreement, a regular employee who is promoted will receive a salary increase that takes into consideration the experience the employee brings with them, what others employees in the same or comparable positions are earning and how long since the employees last salary increase. Supervisors and managers make the recommendation, with approval by the Department Head, as long as budget monies are available.

4.7.4 Y-Rating

The District may pay an employee, whose position is reduced to a lower salary grade as a result of reclassification or reorganization not associated with layoff or discipline and not the result of employee action or request, at his/her current rate of pay which is above the top of the range. Similarly, an employee in a position which has its salary range adjusted to a lower level may also be paid at a rate of pay above the top of the range. This rate will be known as a Y-Rate.

An employee who is at a Y-Rate above the top of the range will continue to receive the Y-Rate until a change in the rate of pay for the employee's new salary grade becomes equal to or greater than the employee's Y-Rate.

4.8 Salary Increases

Through the annual budgeting process, the District's Board of

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Trustees may approve salary increases based on performance and the District's ability to pay. These increases, if any, are publicized prior to the start of the fiscal year.

4.9 Work Out-of-Class

Employees may be temporarily assigned the duties and responsibilities of a budgeted, higher level position when the position becomes vacant or because of temporarily increased workload requirements. When that occurs, the employee will be paid five percent (5%) above their current rate of pay, or minimum of the salary range for the higher level position, whichever is greater.

4.10 Call-in Pay

Except as may otherwise be provided by a collective bargaining agreement, a regular non-exempt employee who is called in to work or to attend a meeting on a scheduled day off will be paid a minimum of two hours, or actual hours worked if more than two.

4.11 Work Hour Reduction

Due to business conditions, non-exempt and seasonal employees may be sent home prior to the end of their normal shift and paid only for the actual hours worked.

4.12 Discretionary Bonus

Exemplary performance by any employee may be recognized and rewarded with a discretionary bonus. This policy outlines the requirements so there is consistency when District employees are rewarded for going beyond their job description. There are two types of discretionary bonuses "Economic Difference" and "You Make a Difference".

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4.12.1 General Requirements for both Bonus Plans

- a. No bonus is guaranteed.
- b. Full time and part-time benefited employees must be employed one (1) full year.
- c. Seasonal employees must have worked the entire season and be eligible for rehire.
- d. The rating on the most recent performance evaluation must be ' at 'Meets Requirements' to earn a "You Make a Difference" and/or "Economic Difference" Bonus.
- e. No bonus is given for completing job description duties and responsibilities.
- f. Employee cannot be under any disciplinary action or on a Performance Improvement Plan.
- g. Bonus check should be presented by Division head with direct supervisor present.
- h. All bonus nominations up to \$500 must be reviewed and signed off either by Director of Public Works, Director of Finance, Accounting & Risk Management or the Director of Human Resources. The purpose of this review is to ensure consistency throughout the District. Bonus nominations for \$500 or more must be reviewed and approved by the General Manager.

4.12.2 Economic Difference Bonus

- a. Ten percent (10%) of the calculated first year savings with deductions taken for any increase in other expenses or capital expenditures.



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- b. Maximum Economic Difference Bonus payable is \$2,500.

4.12.3 You Make a Difference Bonus

- a. Must have worked outside of class.
- b. Must have put in extraordinary number of hours for an exempt position.
- c. Must do something significant outside of job description.
- d. Received special recognition from the public or Board of Trustees.
- e. Received special recognition from an industry, a professional or a charitable organization.

4.13 Related Forms

- Bonus Nomination Form



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5. LEAVE PLANS

THIS SECTION COVERS LEAVES FOR YEAR ROUND FULL AND PART-TIME BENEFITED POSITIONS, SEASONAL MANAGERS AND MULTI-SEASONAL YEAR ROUND POSITIONS UNLESS OTHERWISE IDENTIFIED. POLICIES 5.9, 5.10 AND 5.11 APPLY TO ALL EMPLOYEES

5.1 Holidays

5.1.1 Holidays Designated

The following holidays are recognized by the District:

- New Year's Day – January 1
- Martin Luther King, Jr.'s Birthday – Third Monday in January
- President's Day – Third Monday in February
- Memorial Day – Last Monday in May Independence Day – July 4
- Labor Day – First Monday in September
- Nevada Day – Last Friday in October
- Veterans Day – November 11
- Thanksgiving Day – Fourth Thursday in November
- Family Day – Friday following the fourth Thursday in November
- Christmas Day – December 25

Any day declared a legal holiday by the President of the United States and/or the Governor of the State of Nevada will be observed in accordance with the presidential or gubernatorial proclamation.

5.1.2 Holiday Pay

1. Recognized holidays are typically non-work days, except for seasonal operations. All non-exempt full time year round employees and non-exempt benefit eligible

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part-time year round employees will be paid for their regularly scheduled hours at his/her rate of pay for each recognized holiday. Non-exempt benefit eligible part-time year round employees are not paid for holidays that occur on days the employee is not regularly scheduled. Exempt employees receive their regular salary for holidays.

2. Due to the nature of the District's business, eligible employees may not be allowed to take the holiday off on the day it occurs, but may be given a substitute day off in the same pay period. Substitute days off must be documented in the District time & attendance program.. *The decision to grant holiday time off rests with the supervisor and/or manager of the department.* Holiday time worked will either be paid out, received compensatory time or banked in the time & attendance system.

5.1.3 Weekend Holidays

If a holiday falls on a Saturday, it will be observed on the preceding Friday. If a holiday falls on a Sunday, it will be observed on the following Monday. If the holiday falls on a regularly scheduled day off, the employee will observe the holiday on the next regularly scheduled work day, unless an alternative is authorized by the supervisor or manager.

5.1.4 Banked Holidays

Should an employee be required to work a designated holiday, the supervisor or manager may authorize the designated holiday to be banked for the employee's use in the future. Banked holidays must be "banked" in the District's time & attendance program in the same pay period in which the designated holiday occurs. Banked holidays must be taken within six (6) months of when they are banked and must be used prior to the employee using accrued vacation. Any

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banked holiday time on the books would be paid out at end of employment. No other accrual of holidays is allowed.

5.1.5 Work on Holidays

Non-exempt employees who work on a designated holiday and are not provided a substitute day off, will be paid for the holiday plus one and one-half (1.5) times their regular rate of pay for any time worked on a holiday. Bargaining unit employees who work on a holiday will be paid as provided in the collective bargaining agreement.

5.1.6 Seasonal Managers

Seasonal Managers do not earn holiday pay and are not eligible for holiday benefits.

5.2 Vacation

5.2.1 Vacation Accrual

1. All regular full-time employees will earn vacation for the first and second pay periods of the month as follows:

Years of Service	Bi-Weekly Accrual	Annual Accrual
Hire* to 4 years	3.3333 hours	80 hours
4 yrs but less than 9 years	5 hours	120 hours
9 yrs but less than 14 years	6.667 hours	160 hours
14 years or more	8.333 hours	200 hours

*No accrual for first six months, however 40 hours of vacation is credited to employee in the pay period following completion of six months of employment in a benefited position. Employee will be able to access their vacation following their six month anniversary.



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Note: Employees hired on or after July 1, 2012 will earn a maximum of 160 hours of annual vacation accrual.

2. Benefit eligible part-time year round employees working 24 hours or more a week, after one year of service; earn one-half of the above vacation accrual rates.
3. Seasonal Managers, working seven (7) months or more, accrue vacation at the rate 3.333 hour for the first and second pay periods of the month.

5.2.2 Maximum Accrual

Accrued vacation hours may not exceed 200 hours at the end of each calendar year. Any vacation hours in excess of 200 will not carry forward and will be lost. In establishing this “use it or lose it” vacation policy, the only exception would be if an employee is not allowed to take a scheduled vacation because of business necessity, the Department Head may request a one-time payout of hours in excess of 200, with approval of the General Manager.

5.2.3 Use of Vacation

Vacation is provided to employees for the purpose of rest and relaxation from their duties and for attending to personal business. Employees are strongly encouraged to use vacation in the year it is earned. Employees must request vacation through the time & attendance program for approval by their supervisor providing as much notice as possible. Employees may not use vacation hours before they are accrued.

5.2.4 Vacation Pay at Termination

Upon termination, an employee with more than six (6) months of continuous employment will be paid for all accrued vacation at the employee’s last regular rate of pay. Employees, who



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leave benefited positions and remain with the District, will be paid out accrued vacation.

5.3 Sick Leave

5.3.1 Sick Leave Accrual

The District expects each employee to be available for work on a regular and reliable basis. The District is aware of the need for income protection when an employee is sick or injured. Therefore;

- a. Full time year round employees, seasonal managers, working seven (7) months or more and multi-seasonal year round employees will accrue four (4) hours of sick leave in the first and second pay periods each month.
- b. After one year of service in a benefit eligible position, part-time year round employees working 24 or more hours per week in a benefited position will accrue two (2) hours of sick leave in the first and second pay periods each month.
- c. There is no maximum accrual for sick leave.

5.3.2 Use of Sick Leave

Sick leave is for use in situations in which the employee must be absent from work due to:

- a. His/her own physical illness or injury.
- b. His/her own exposure to contagious diseases or when attendance at work is prevented by public health requirements.
- c. The need to care for a dependent child, spouse, registered domestic partner, or parent who resides with

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an employee or who is dependent upon the employee for support.

- d. Medical, dental or vision appointments for the employee, in excess of two hours away from work, no more than once a month. Every attempt should be made to schedule appointments at the start or end of regular work day.
- e. Any disability, including disability caused or contributed to by pregnancy, miscarriage, abortion, or childbirth, or to supplement disability payments to maintain an employee's regular pay.
- f. To supplement workers compensation benefits to maintain an employee's regular pay

5.3.3 Abuse of Sick Leave

Use of sick leave for purposes other than those listed above is abuse of sick leave. Abuse of sick leave is cause for disciplinary action, up to and including termination.

5.3.4 Illness During Vacation

If an employee on vacation suffers an illness or injury that requires medical treatment from a licensed physician or health practitioner, s/he may elect to change that time to sick leave, with approval of the supervisor. The employee must provide written proof from a health care provider.

5.3.5 Placing an Employee on Sick Leave

A supervisor or manager may place an employee on sick leave if he/she has an illness that appears to be contagious or due to a known or suspected illness or injury.



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5.3.6 Return to Work

An employee on sick leave may be required to provide a statement from a licensed physician or health practitioner certifying the employee's fitness to return to work.

5.3.7 Sick Leave Sell-Back (does not apply to seasonal managers)

For eligible employees hired prior to July 1, 2011, during November of each year, the District will provide an opportunity to each eligible employee to "sell" back to the District one half (1/2) of their unused sick leave balance, up to a maximum of forty eight (48) hours. The sale will occur at the employee's current hourly rate of pay and the employee must be an active employee at the time of the sell back. Unused sick leave will be forfeited upon termination of employment or leaving a benefited position but remaining with the District.

Seasonal Managers are not eligible for the sick leave sell-back provision. However, Seasonal Managers, working seven (7) months or more who return to the District in the same capacity for the next season will have their sick leave balance reinstated.

5.3.8 Sick Leave at Retirement

Employees who elect to retire after 20 years of service with the District may receive up to 20% of their accrued sick leave hours; adding 2% additional each year to 25 years (30% at 25 years) and 4% additional each year thereafter to a maximum sick leave buyout of 50% of up to 960 hours after 30 years of service.

As an alternative, employees retiring after 20 years or more of service may elect to convert their eligible sick leave hours with the same limitations identified above to a non-interest bearing



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District account for the purpose of paying medical insurance coverage and/or out-of-pocket medical expenses such as deductibles and co-payments at double the rate to a maximum of 100% of up to 960 hours after 30 years of service.

The non-interest bearing District account will be assigned a present value as of the date of retirement equal to the number of hours of sick leave times the employee's base hourly salary at the time of retirement. The District will debit said account on a dollar-for-dollar basis. This benefit is for the employee only, is non-transferable and does not survive the retiree.

5.3.9 Sick Leave Procedures

1. Leave Approval

An employee needs to request use of sick leave through the time & attendance program as soon as the need for a leave is known. The supervisor determines whether to approve use of accrued sick leave and will approve such a request whenever it is deemed reasonable.

2. Notification

Any employee who is ill or unable to report to work for any reason will notify his/her immediate supervisor no later than fifteen (15) minutes following the employee's normal work reporting time. In the event of a continuing illness, the employee needs to continue to notify on a daily basis, his/her immediate supervisor or at appropriate intervals agreed on by the supervisor of his/her condition. The supervisor may deny sick leave requests which are not in compliance with this policy.

3. Doctor's Certification

The supervisor may require an employee to provide a



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medical doctor's certification stating that the illness/injury incapacitated the employee from performing his/her duties, was necessary for the employee to make full and timely recovery, or was appropriate to avoid the spread of a contagious disease. The certification will also verify the employee's fitness for return to work.

5.4 Donation of Time

The District understands that employees may experience situations when their sick leave and/or vacation accrual balances are insufficient to cover catastrophic illnesses and/or injuries. In those instances the District will provide an opportunity for other employees, with accrued balances, to donate to individual employee's sick leave or vacation balances in order to assist in these difficult situations. Participation in this program is strictly voluntary.

The donation program exists to assist employees in overcoming hardship as a result of insufficient paid time off. Employees who want to donate time are limited to a maximum donation of 40 hours of sick leave or vacation time, per calendar year. Employees wanting to donate time must notify the Director of Human Resources and/or the Payroll Department, in writing or by email, the number of hours they wish to donate, the type of hours, either sick or vacation, and the name of the employee to receive the donation. Any donated time is treated as used by the donating employee and the amount of hours donated is permanently deducted from the donating employee's current accruals.

Employees receiving sick leave or vacation hours must exhaust all of their sick leave and vacation accruals prior to receiving any donated time. Employees receiving donated sick leave during a calendar year are not allowed to participate in the sick leave sell-back in the same calendar year, if they are eligible for the sick leave sell-back.



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5.5 Leave of Absence Without Pay

5.5.1 Policy

The District will consider requests for leaves of absence without pay under certain circumstances. Approval will be for exceptional circumstances and conditions, such as personal matters, education or prolonged illness. Approvals of these leaves are at the discretion of the Department Head with approval of the General Manager. Such leaves may be extended for an additional period of up to six (6) months at the sole discretion of the District. The District will require the use of all accrued paid leave prior to granting leave without pay. Failure to return from a leave of absence without pay will be considered a resignation.

5.5.2 Procedure

1. Approval – Less Than 30 Days

Leaves of absence without pay not exceeding thirty (30) days may be granted by the Department Head. Employees should request the leave at least 30 days in advance, if possible, and obtain approval from their department head.

2. Approval – More Than 30 Days

Leaves of absence without pay exceeding thirty (30) days may be granted by the Department Head with approval by the General Manager. Employees should request the leave at least 30 days in advance, if possible, and obtain approval from their department head and General Manager.

3. Employees on Unpaid Leaves

Employees on unpaid leaves of absence are not

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guaranteed there will be a position available when they return. The District will make every effort to return an employee to his/her most recent position or another comparable position. Employees must make payment arrangements for outstanding loans from their Pension Plan, if applicable. Employees are required to periodically contact their supervisor during their leave, with updates on their status and anticipated return date.

4. Failure to Return

An employee who fails to return to duty on the date specified is considered to have resigned from his/her position, unless there is a proven compelling reason beyond the control of the employee.

5. Insurance

Benefitted employees on approved leave of absence without pay may continue their medical, dental, and vision insurance coverage in accordance with Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit continuation regulations.

6. Medical Leaves

The District will require a physician's certification or other appropriate type of verification to substantiate a need for a medical leave of absence without pay.

7. Benefit Accrual

Vacation and sick leave do not accrue during an unpaid leave of absence.

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5.6 Court Leave

5.6.1 *When Granted*

The District will grant court leave to allow benefited employees to serve as juror or a witness in a court proceeding provided that the employee is not a party to the action. Employees need to provide their supervisors with relevant documents verifying the need for court leave as soon as the need becomes known.

5.6.2 *Compensation*

Subject to the following conditions, eligible employees will receive their regular base rate of pay for those hours spent in court, traveling to and from court when such time occurs during employee's regular scheduled work days and hours of work.

1. Court leave will not result in payment of overtime or be considered as hours worked for purposes of determining eligibility for overtime, unless the court leave is related to the employee's job responsibilities.
2. Upon completion of jury/court/witness service for which the employee received his/her regular pay, the employee will forward any compensation received from the court or other party to the District upon receipt. Reimbursements received for out-of-pocket expenses such as meals, mileage, and lodging may be kept by employee.
3. An employee will not receive pay for the work time missed if s/he is required to miss work because of court appearances in a matter to which the employee is a party or to serve as a witness for a party who has filed an action against the District or the employee is subpoenaed to appear on a matter unrelated to employment. However, the employee may choose to

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use his/her vacation.

5.6.3 Subpoena for Court Appearance

Whenever a civil or criminal subpoena requires the appearance of an employee for a hearing regarding District matters, time away from work will be paid. The appearance will be regarded as an official on-duty assignment.

5.7 Bereavement Leave

A benefited employee who must be absent from work to attend the funeral of a family member who is within the third degree of consanguinity or affinity may use up to a maximum of forty (40) hours of bereavement leave per each occurrence. Bereavement leave longer than forty (40) hours may be charged to accumulated vacation or leave without pay with the advance approval of the District. Supervisors or managers may require evidence of attendance at the funeral. See Appendix – A, Consanguinity/Affinity Chart.

5.8 Emergency Conditions/Inclement Weather

5.8.1 Emergency Road Conditions

1. Any non-exempt employee who is unable to report to work due to road closures or hazardous road conditions caused by ice, snow, floodwaters, washouts, or slides will not receive regular salary. Employees are advised to use their best judgment in making a decision of whether or not to report to work under such conditions. Should an employee decide to remain at his/her residence, all reasonable attempts should be made to notify his/her immediate supervisor. Any employee wishing to receive payment for time missed due to hazardous road conditions may do so by using either accrued vacation or accrued compensatory leave time, if available.

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2. Any non-exempt employee who reports to work late due to road closures or hazardous road conditions will be compensated only for the actual hours worked. In the event the employee wishes to receive a full day's pay, s/he may use vacation or accrued compensatory leave time, if available, to complete the normal work period.
3. Any employee who elects not to report to work due to hazardous road conditions or reports to work late under such conditions will not be subject to discipline.

5.8.2 Inclement Weather

1. All District facilities will normally remain open during inclement weather. If severe weather does occur, the Department Head may decide to change hours. This decision should be communicated to the General Manager.
2. When an employee cannot report for their assigned shift due to inclement weather, they are expected to provide as much notice as possible to their supervisor. Employees may use a vacation day to compensate for the missed day or they may take the day as an unpaid day off.
3. Any employee who chooses not to report to work on a designated inclement weather day will not be subject to discipline unless a pattern of abuse is identified.

5.9 Military Leave (applies to all employees that meet the requirements)

5.9.1 Policy

Employees who are members of the uniformed services are

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entitled to military leave. The uniformed services include the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service Commissioner Corps, the reserve components of these services, and any other category dispatched by the President in time of war or nation's emergency. The Army National Guard and Air National Guard are also covered. In addition, under the Public Health Security and Bioterrorism Response Act of 2002, certain disaster response work and authorized training will be considered.

5.9.2 Notice and Notification

1. The District provides employees with notice of their rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA). This requirement is met by posting the notice where the District customarily places notices for employees.
2. The District may require written orders or verbal notice of service obligation, but will waive the requirement if notice is impossible or unreasonable.

5.9.3 Salary and Benefits

1. Compensation
 - a. The employee is entitled to fifteen (15) working days of leave with pay in one calendar year (NRS 281.145).
 - b. The District is not required to pay the employee's salary after fifteen (15) working days.
 - c. The employee may choose to use vacation and/or compensatory time, if any, before going on leave without pay.

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2. Health Insurance

There is no impact to the employee's insurance coverage, including life insurance included in the District's health insurance package. The District will continue to make premium payments for thirty (30) days. Employee may then continue coverage similar to that required by the COBRA for either twenty-four (24) months or through the day after the date on which the employee fails to apply for reemployment in a timely manner; whichever is lesser (see *Reemployment, Section 5.9.4.* below). The District will reinstate health insurance coverage upon the employee's prompt reemployment without exclusions or waiting periods. An employee who takes up to ninety (90) days after leaving the military before commencing his/her reemployment may stay on the military health insurance; however, it is the employee's responsibility to verify the continuation, scope, and duration of coverage.

3. Seniority

An employee is entitled to the seniority (and rights and benefits governed by seniority) s/he had accrued at the commencement of military leave, plus any additional seniority rights and benefits that s/he would have attained if s/he had remained continuously employed (the escalator principle). However, if a probationary period is a bona fide period of observation and evaluation, the returning employee must complete the remaining period of probation upon reemployment. The District will count time served for the purpose of determining annual and sick leave accrual rates. Additionally, the District will count time in the military when determining the employee's rate of pay. The District is not required to accumulate annual or sick leave for an employee during his/her absence. The escalator principle will be applied to a returning

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employee's merit pay increases.

4. Retirement

Time served will be counted as work time for purposes of retirement. The District will make contribution payments to the retirement plan as if the employee had not left, provided the employee returns to work. The District contribution will be based on the rate of pay the employee would have been paid had s/he not been called to military service. An exception to this requirement is when the higher pay is based on additional knowledge, skill, or ability that can only be gained by work experience.

5. Death or Disability

If an employee does not return to work due to death or disability, the survivor or disability benefit is treated as if the employee had been working until the date of the death or disability. The District will make the retirement contribution up to the date of the death or disability.

6. Other Leave

The District will count time served in the military when calculating the employee's FMLA eligibility.

5.9.4 Reemployment

1. An employee has certain report-to-work obligations following military service. Eligible returning service members will be promptly reemployed, which in most cases means within two weeks of reporting. The employee's report-to-work obligations are:
 - a. Service of one to thirty (30) days: The beginning of the next regularly-scheduled work period on

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the first full day following completion of service, and expiration of an eight-hour rest period following safe transportation home.

- b. Service of thirty-one (31) to one hundred eighty (180) days: Application for reinstatement must be submitted not later than fourteen (14) days after completion of military duty.
 - c. Service of one hundred eighty-one (181) or more days: Application for reinstatement must be submitted not later than ninety (90) days after completion of military duty.
2. The deadline for reinstatement may be extended for up to two years for persons who are convalescing due to a disability incurred or aggravated during military service, and the District will make reasonable accommodations for the impairment.
 3. Reemployment rights apply to veterans whose cumulative period of uniformed service does not exceed five years while employed by the same District. Time spent in National Guard and reservist training does not count towards the five-year period.

5.9.5 Discharge

If time served is greater than thirty (30) days, but less than one hundred eighty-one (181) days, an employee may not be discharged within one hundred eighty (180) days of reemployment, except for just cause. If time served is greater than one hundred eighty (180) days, an employee may not be discharged for one year, except for just cause.



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5.10 Voting Time Off (applies to all employees that meet the below requirements)

Employees who are registered voters who do not have sufficient time outside normal working hours may, without loss of pay, take time off to vote at the start or the end of their regular workday. Time off should be approved by their supervisor at least two working days in advance of the election. Employees may be provided up to a maximum of two hours paid time off for voting purposes. If additional time is required, it will be provided without pay.

5.11 School Activities Leave

Employees with a child enrolled in public or private schools are allowed four (4) hours of leave, per child, each school year to:

1. Attend parent-teacher conferences;
2. Attend school-related activities during regular school hours;
3. Volunteer or otherwise be involved at the school in which the child is enrolled during regular school hours; and
4. Attend school-sponsored events.

The school activities leave will be taken in one hour increments and will be mutually agreed upon by the employee and his/her supervisor. School Activities Leave is unpaid leave; however employees with benefits may use accrued vacation time. Employees must complete a leave request form for School Activities Leave.

5.12 Family and Medical Leave (FMLA) (applies to all employees that meet the requirements)

5.12.1 Policy

The District, as a public employer, is covered under the FMLA, and will comply with the requirements of the FMLA. The District provides all employees with form WHD-1420, Employee Rights & Responsibilities under the Family Medical Leave Act, and also ensures the information is posted in



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conspicuous places throughout the District.

1. Eligibility

Employees who have been employed by the District a total of twelve months and have worked for the District at least one thousand two hundred-fifty (1,250) hours during the preceding 12-month period are eligible for FMLA leave. The required twelve months of employment does not have to be consecutive. There may be a break in service as long as it does not exceed seven (7) years. There is an exception to the 7-year condition for USERRA covered military service or written agreements. All employees meeting the above qualifications qualify for FMLA regardless of the employment status, seasonal, part-time, etc.

2. Compensation During Leave

FMLA leave will be unpaid leave unless the employee has accrued paid leave and is otherwise eligible to use the leave. If an employee requests leave for the employee's own serious health condition, for the serious health condition of the employee's spouse, child, or parent, to provide military caregiver leave, or exigency leave the employee **must** use any available accrued sick leave (if it qualifies under employer's sick leave use requirements) and/or vacation and compensatory time leave as part of the FMLA leave. When substituting accrued paid leave, the employee must comply with the employer's procedural requirements, terms and conditions of the paid leave policy as appropriate; the remainder of the leave period will then consist of unpaid FMLA leave. Employees are made aware of the requirements to use sick, vacation and compensatory time as appropriate in the District's Family and Medical Leave Act Designation Notice.

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3. Intermittent or Reduced Schedule Leave

When medically necessary (as distinguished from voluntary treatments and procedures) or for any qualifying exigency, leave may be taken on an intermittent or reduced schedule basis. Leave for bonding with a healthy newborn or placement of a healthy child for adoption or foster care is not considered medically necessary and, therefore, may only be taken on a reduced schedule or intermittent basis upon approval of the employee's Department Head. Employees needing intermittent leave or reduced schedule leave must make a reasonable effort to schedule their leave so as not to disrupt unduly the District operations. If leave is foreseeable, the District may require an employee on intermittent leave or reduced schedule leave to temporarily transfer to an available alternative position for which the employee is qualified if the position has equivalent pay and benefits and better accommodates the employee's intermittent or reduced schedule leave. Intermittent leave and reduced schedule leave reduces the twelve (12) week entitlement only by the actual time used. An employee who has been transferred under this section has reinstatement rights to his/her former position until the end of the 12-month FMLA leave year.

5.12.2 Duration of and Reasons for Leave

Any eligible employee, as defined above, may be granted a total of twelve (12) work weeks of unpaid family and medical leave (which can run concurrent with paid leave) during a 12-month period, with the exception of Military Caregiver Leave as provided in section 5.12.3 below. This period is measured backward from the date an employee uses any FMLA leave.

A "work week" is defined as a calendar week, regardless of the number of days the employee normally works. Twelve (12)

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weeks does not entitle the employee working three (3) days a week to sixty (60) leave days, but rather twelve (12) weeks. FMLA may be granted for the following reasons:

1. The birth of the employee's child and in order to care for the child;
2. The placement of a child with the employee for adoption or foster care;
3. To care for the employee's spouse, child, or parent who has a serious health condition; or
4. An employee's own serious health condition that prevents the employee from performing one or more of the essential functions of his/her job. Serious health conditions may include conditions resulting from job-related injuries and/or illnesses; or
5. Due to a qualifying exigency arising when an employee's spouse, son, daughter, or parent is a covered military member on covered active duty or has been notified of an impending call to covered active duty.

Exigency Leave:

- Short-term notice deployment (deployment in seven or less calendar days)
- Military events and activities
- Childcare and school activities
- Family support or assistance programs
- Financial and legal arrangements
- Counseling
- Service member's rest and recuperation leave (limited to 15 calendar days for each instance)
- Post-deployment activities
- Parental leave for the spouse, son, daughter, or

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parent of a military member to care for the military member's parent who is incapable of self-care. The leave may be used for arranging for alternate care, providing care, admitting or transferring the patient to a care facility, or attending a meeting with care facility staff. Additional activities arising out of active duty that the District and employee agree upon.

Covered Active Duty:

- a. In the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country.
- b. In the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in support of a contingency operation.

A serious health condition is an illness, injury, impairment, or physical or mental condition of incapacity or treatment that involves:

- i. Inpatient care (overnight stay) in a hospital, hospice, or residential medical care facility.
- ii. Continuing treatment by (or under the supervision of a) health care provider for a period of incapacity of more than three (3) consecutive full calendar days, combined with at least two (2) visits to a health care provider within thirty (30) days of the first day of incapacity or one (1) visit to a

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health care provider requiring a regimen of continuing treatment, e.g., prescription medication.

Unpaid FMLA leave will run concurrently with paid vacation, sick, and/or personal leave. Unpaid FMLA leave may also run concurrently with Workers' Compensation leave or other benefits.

The entitlement to FMLA for the birth or placement of a child for adoption or foster care will expire twelve (12) months from the date of the birth or placement. If both an employee and his/her spouse are employed by the District, their combined time off may not exceed twelve (12) work weeks during any 12-month period for the birth, adoption or foster care of a child, or care of a parent with a serious health condition. Each spouse is, however, eligible for the full twelve (12) work weeks within a 12-month period to care for a son, daughter, or spouse with a serious health condition.

Employees may not take more than a combined total of twelve (12) weeks for all FMLA qualifying reasons listed in section 5.12.2.

5.12.3 Military Caregiver Leave

An eligible employee, as defined in 5.11.1.1. above, may be granted a total of twenty-six (26) weeks of unpaid FMLA leave (which can run concurrent with paid leave) during a 12-month period to provide caregiver leave for a seriously ill or injured covered service member or veteran who is the employee's spouse, son, daughter, parent or next of kin. This period is always measured forward from the date an employee takes FMLA leave to care for the covered service member or veteran and ends twelve (12) months after that date.

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Employees cannot take more than a combined total of twenty-six (26) weeks for military caregiver leave or because of other FMLA qualifying reasons as provided in 5.12.2. above. A husband and wife both working for the District are limited to a combined total of twenty-six (26) weeks of FMLA military caregiver leave.

The Covered Service member under the Military Caregiver leave must be:

- a. A current member of the Armed Forces (including a member of the National Guard or Reserves), who is undergoing medical treatments, recuperation, or therapy, is otherwise in outpatient status; or is otherwise on the temporary disability list, for a serious injury or illness that:
 - Was incurred by the covered service member in the line of duty on active duty in the Armed Forces, or
 - Existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces, and
 - May render the member medically unfit to perform the duties of the member's office, grade, rank, or rating.
- b. A covered veteran is an individual who was a member of the Armed Forces (including a member of the National Guard or Reserves), and was discharged or released under conditions other than dishonorable at any time during the five-year period* prior to the first date the eligible employee takes FMLA leave to care for the covered veteran who is undergoing medical

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treatment, recuperation, or therapy, for a serious injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and manifested itself before or after the member became a veteran, and is:

- A continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed forces and rendered the service member unable to perform the duties of the service member's office, grade, rank, or rating; or
- A physical or mental condition for which the covered veteran has received a U. S. Department of Veteran Affairs Service-Related Disability Rating (VASRD) of 50 percent or greater, and such VASRD rating is based in whole or in part, on the condition precipitating the need for military caregiver leave: or
- A physical or mental condition that substantially impairs the covered veteran's ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service, or would do so absent treatment; or
- An injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veteran Affairs Program of Comprehensive Assistance for Family Caregivers.

*The period between 10-28-09 and 03-08-13 is excluded in the determination of the five-year period.

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5.12.4 Notice of Leave

An employee intending to take FMLA leave because of an expected birth or placement of child for adoption or foster care, a planned medical treatment or medical care, or qualifying exigency, shall provide notice for such leave at least thirty (30) days before the leave is to begin. If a requested leave will begin in less than thirty (30) days, the employee must give notice to his/her immediate supervisor and/or Human Resources representative as soon as the necessity for the leave is known. Reasonable advance notice is required for all leaves, even if the event necessitating the leave is not foreseeable.

Within five (5) business days (absent extenuating circumstances) of receiving notice that 1) an employee requests to use FMLA leave, or 2) the District acquires knowledge that a leave may be for a FMLA-qualifying reason, the District will complete IVGID's FMLA Designation Notice. Completion of this notice will designate if an employee is eligible for FMLA or, if an employee is not eligible, the reasons(s) why s/he is not eligible. The notice will designate if the employee is required to obtain certification related to medical conditions and/or required family relationships. The District may require the use of FMLA leave for any absence which would otherwise qualify as FMLA leave, even if no formal application for such leave was made by the employee, provided notice is given to the employee. Employees cannot waive, nor may the employers induce employees to waive their rights under FMLA.

5.12.5 Certification of Leave

1. Serious health condition

A request for leave based on the serious health condition of the employee or the employee's spouse,

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child, or parent requires a statement from the treating health care provider. The statement must state the date on which the health condition commenced, the probable duration of the condition, and the medical facts regarding the condition. This statement must be received within fifteen (15) calendar days, absent extenuating circumstances.

2. Exigency leave

Employees requesting FMLA leave for qualifying exigency may be required to complete IVIGD's Certification of Qualifying Exigency for Military Family Leave and provide a copy of the military member's active duty orders or other documentation issued by the military which indicates that the military member is on covered active duty or call to covered active duty status. Employees requesting FMLA leave for military caregiver leave may be required to complete IVIGD's Certification for Serious Injury or Illness of Covered Service Member for Family Medical Leave within fifteen (15) calendar days, barring extenuating circumstance.

3. Caregiver leave

Employees requesting FMLA leave for military caregiver leave are required to complete IVIGD's certification of Serious Injury or Illness of Covered Service member for Military Family Leave or Certification for Serious Injury or Illness of a Veteran for Military Caregiver Leave within fifteen (15) calendar days, absent extenuating circumstances. Employees may also submit invitational travel orders (ITOs) or invitational travel authorizations (ITAs) issued to any family member to join an injured or ill service member at his/her bedside in lieu of forms.



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4. Incomplete or Insufficient Certification (cure period)

If a certification is incomplete or insufficient, the employee will be given seven (7) calendar days (unless not practicable under the particular circumstances despite the employee's diligent good faith efforts) to cure any such deficiency. If the deficiencies specified by the employer are not cured in the resubmitted certification, the employer may deny the taking of FMLA leave. A certification that is not returned to the employer is not considered incomplete or insufficient, but constitutes a failure to provide certification.

5. Clarification or Authentication of certification

The District may contact the employee's health care provider for the purpose of clarification or authentication after giving the employee an opportunity to clarify specific discrepancies. Only the Director of Human Resources or Human Resources Analyst may contact the health care provider.

6. Second and Third opinions

If the District questions the validity of the certification, the District may require at its expense that the employee obtain a second opinion from a health care provider designated by the District. If the second opinion conflicts with the original opinion, the District may require, at its expense, that the employee obtain the opinion of a third health care provider designated or approved jointly by the District and the employee. This third opinion will be considered final and binding on both parties.

Second and third opinions are not permitted for leave to care for a covered service member when the certification has been completed by a Department of



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Defense or Department of Veterans Affairs health care provider. However, second and third opinions are permitted when the certification has been completed by other health care providers as provided for by law.

Second and third opinions are not allowed on a fitness for duty certification.

7. Recertification

In instances where the minimum duration of leave anticipated by the original certification is more than thirty (30) days, the District may require the employee to recertify that the original medical condition still exists. Such requests can be made no more frequently than the minimum duration of the leave requested (e.g., 40 days) or once every six (6) months in connection with an absence.

In situations where the minimum duration of leave anticipated by the original certification is less than thirty (30) days, the District may request recertification if the employee requests an extension of leave, the circumstances described by the original certification have changed significantly, or the District receives information casting doubt upon the continuing validity of the certification.

Recertification is not permitted for leave to care for a covered service member.

8. Annual Medical Certification

The District may require the employee to provide new medical certification, not recertification, for his/her first FMLA-related absence in a new 12-month leave year.

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5.12.6 Designation Notice

Within five (5) business days absent extenuating circumstances of receipt of all required information, the District will make a determination if the employee's request for a leave is for FMLA-qualifying reason. The District will notify the employee if the leave is approved or not.

If the District cannot make a determination from the information provided, they will use this notice to:

1. Indicate the information presented is incomplete or insufficient and provide the employee seven (7) calendar days to provide complete information.
2. Provide notice to an employee if a second or third medical certification is required.

The District will also use this notice to designate a fitness-for-duty certificate which will be required prior to returning to work.

5.12.7 Benefits Coverage During Leave

During a period of FMLA leave, an employee will be retained on the District's health plan under the same conditions that would apply if the employee was not on FMLA leave. To continue health coverage, the employee must continue to make any contributions that he/she would otherwise be required to make. Failure of the employee to pay his/her share of the health insurance premium may result in loss of coverage.

If the employee fails to return to work after the expiration of the FMLA leave, the employee may be required to reimburse the District for payment of health insurance premiums during the leave, unless the reason the employee cannot return is due to circumstances beyond the employee's control. The definition of beyond the employee's control includes a large



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variety of situations such as: the employee being subject to layoff, continuation, recurrence, or the onset of an FMLA-qualifying event; or the employee's spouse's unexpected worksite relocation of more than seventy-five (75) miles from the current worksite.

An employee who takes family or medical leave will not lose any seniority or employment benefits that accrued before the date the leave began and will be entitled to any unconditional pay increase, such as cost of living increase, granted to all employees during the FMLA leave period.

1. Outside Employment

An employee may not accept other employment during an FMLA absence if the job conflicts with the reason the employee is on FMLA leave; e.g., an employee is on FMLA leave due to a back injury and accepts a job requiring heavy lifting. All other requirements of the District's outside employment policy apply.

2. Periodic Reporting

Any employee on FMLA leave must notify the District periodically of his/her status and intention to return to work. The District will determine how often the employee must provide this notification.

3. Change in Duration of Leave and/or Return Prior to Expiration

If an employee wishes to return to work prior to the expiration of a FMLA leave period, s/he must notify the Director of Human Resources within three (3) business days prior to the employee's planned return. Employees may be required to provide a fitness-for-duty certification (if indicated on the designation notice) specifically addressing the employee's ability to perform

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the essential functions of his/her job, prior to returning to work if the FMLA leave of absence was due to the employee's own serious health condition. Employees required to present a fitness-for-duty certification may be delayed in restoration to employment until certification is provided. Second and third opinions are not allowed on a fitness-for-duty certification.

4. Request an Extension of Leave

An employee who requests an extension of FMLA leave due to the continuation of a qualifying exigency, care for service member, continuation, recurrence, or onset of his/her own serious health condition, or of the serious health condition of the employee's spouse, child, or parent, must submit a request for an extension, in writing, to the District. This written request should be made as soon as the employee realizes that s/he will not be able to return at the expiration of the leave period. Any additional time requested beyond the FMLA 12 week period (or 26-week period for caregiver leave), will not be considered as FMLA. Rather, such time, if approved will be characterized as either paid or unpaid leave, thereby ending the District's reinstatement obligations included in Section 5.12.8. Nothing in this policy limits the District's obligations of reasonable accommodation under the Americans with Disabilities Act.

5.12.8 Return from Leave

Upon returning to work, an employee on FMLA leave will be restored to his/her most recent position or to a position with equivalent pay, benefits, and other terms and conditions of employment. In most cases, employees return to their most recent position, however the District cannot guarantee that an employee will be returned to his/her original position. The District will determine whether a position is an "equivalent position" as defined by FMLA. Employee's

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right to restoration, however, cease at the end of the applicable 12-month FMLA leave year.

Employees may be required to provide a fitness-for-duty certification (if indicated on the designation notice) specifically addressing the employee's ability to perform the essential functions of his/her job, prior to returning to work if the FMLA leave of absence was due to the employee's own serious health condition. Employees required to present a fitness-for-duty certification may be delayed in restoration to employment until certification is provided. Second and third opinions are not allowed on a fitness for duty certification.

Key employees may be denied job restoration if such denial is necessary to prevent substantial and grievous economic injury to the operations of the District and the employee was given written notice they were considered a key employee at the time they gave notice of FMLA leave or when the leave commenced.

5.12.9 Failure to Return from Leave

Failure of an employee to return to work upon the expiration of an FMLA leave of absence will subject the employee to disciplinary action, up to and including termination, unless the District has granted an additional (paid or unpaid) extension. (Note: Refer to the District's other leave policies.)

5.13 Related Forms

- Employee Rights & Responsibilities under the Family Medical Leave Act (FMLA Form WHD-1420)
- Consanguinity/Affinity Chart – Appendix A



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6. BENEFITS

THIS SECTION COVERS BENEFITS FOR YEAR ROUND FULL AND PART-TIME BENEFITED POSITIONS, SEASONAL MANAGERS, WORKING SEVEN (7) MONTHS OR MORE AND MULTI-SEASONAL YEAR ROUND POSITIONS. INFORMATION, FORMS, AND SUMMARY PLAN DESCRIPTIONS ARE AVAILABLE FROM HUMAN RESOURCES. SECTIONS 6.9, 6.10, AND 6.11 APPLY TO ALL EMPLOYEES

6.1 General

The District's benefits philosophy compliments its business strategies and objectives by providing part of a competitive total compensation framework designed to attract and retain a quality workforce. The District will periodically review the benefits offered and make adjustments as the District deems appropriate.

The District's benefits programs and practices will comply with all relevant government regulations, meet our business needs, and be reflective of appropriate market based data.

6.2 Health Insurance Coverage

6.2.1 *Eligibility*

Employees are eligible to enroll in group health insurance plans (medical, dental, and vision coverage) effective the first of the month following date of hire in a benefits eligible position. Dependents of employees, as defined in the current plan booklet, are also eligible for coverage under the insurance plan. Employees hired on or after July 1, 2012, seasonal managers working seven (7) months or more and multi-seasonal year round employees working in one managerial position on or after July 1, 2012 will contribute 25% of the cost of dependent coverage. The District will continue to pay the cost of employee's coverage.

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6.2.2 Benefits

The specific terms and conditions of coverage are specified in the plan document for medical, prescription drug, dental, and vision insurances issued by the insurance companies.

6.2.3 Plan Changes

The District will, from time to time, evaluate the health coverage plan that is offered and make adjustments, as the District deems appropriate, in the level of coverage and the amount of premium cost to be paid by the District.

6.2.4 Privacy Practices

In order to comply with the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the District has developed a notice that describes how medical information may be used and disclosed and how employees can obtain access to that information; see Appendix B for Notice of Privacy Practices.

6.3 Life Insurance Coverage

6.3.1 Eligibility

Employees are eligible to enroll in a term life insurance and accidental death and dismemberment insurance plan effective the first of the month following date of hire in a benefits eligible position.

6.3.2 Policy

The specific terms and conditions of coverage are specified in the plan document issued by the insurance company and are available from the Human Resources Department.



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6.3.3 Coverage

Employees are covered by term life insurance policy and accidental death and dismemberment (AD&D) policy of \$25,000 each. Department Heads are covered with term life insurance policy and AD&D policy of \$50,000 each.

6.3.4 Plan Changes

The District will, from time to time, evaluate the term life insurance and AD&D plans that are offered and make adjustments, as the District deems appropriate, in the level of coverage and the amount of premium cost to be paid by the District.

6.3.5 Supplemental Voluntary Life Insurance

This insurance is available to employees only through payroll deductions with the cost based on amount of coverage and age of employee.

6.4 Disability Coverage

6.4.1 Short Term Disability

An employee off work due to an illness or injury for more than thirty (30) calendar days may be eligible to receive 60% of pre-disability earnings with \$500 weekly maximum for up to ninety (90) days through a District provided program.

6.4.2 Long Term Disability (All Seasonal Managers are exempt from this benefit)

An employee off work due to an illness or injury for more than ninety (90) days may be eligible to receive 66 2/3% of pre-disability earning with a \$7,500 monthly maximum through a District provided program.



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6.4.3 *Plan Changes*

The District will, from time to time, evaluate the disability plans offered and make adjustments, as the District deems appropriate, in the level of coverage and the amount of premium cost to be paid by the District.

6.5 **Retirement** (All Seasonal Managers are exempt from this benefit)

The District contributes 12.3% of an employee's earnings into a Money Purchase Plan (Defined Contribution Plan also known as 401A plan) after six (6) months of employment in an eligible position. Vesting for this plan is:

1. 25% at one year of employment in an eligible position
2. 50% at two years of employment in an eligible position
3. 75% at three years of employment in an eligible position
4. 100% at four years of employment in an eligible position

Bargaining unit eligible employees may elect to enroll in the Union Retirement Plan in lieu of the District's Money Purchase Plan. Details are available from a Union Steward or Union Business Representative.

6.6 **Deferred Compensation** (All Seasonal Managers are exempt from this benefit)

Employees may defer a portion of their taxable income by participation in a deferred compensation plan (457 Plan). The District will match 100% of an employee's contribution up to 2% of their annual earnings.



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Initial enrollment may be made at any time during the year for earnings beginning the first of the month following employment. Changes in contribution are governed by the terms and conditions of the particular plan.

Department Heads are not eligible for the matching contribution as the District provides for a 5% contribution into a deferred compensation plan beginning the first of the month following employment or promotion.

6.7 Training and Continuing Education

The District, subject to availability of budgeted funds, may provide educational opportunities for employees.

6.7.1 *Seminars/Outside Training*

The District may provide for travel and attendance at a seminar or outside training opportunity. An employee must obtain approval from his/her Department Head prior to registering to attend. The following criteria must be met:

1. The seminar or outside training opportunity offers necessary training that would improve the employee's performance in his/her current position, or
2. The seminar or outside training opportunity offers training needed for the employee's developmental needs.

6.7.2 *Educational Assistance*

Employees may be reimbursed up to \$1,500 towards an undergraduate degree or \$4,000 for a graduate degree, annually, for tuition and/or fees, other than books, for career-related education. The following qualifications must be met:

1. Employees must have minimum one year

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continuous service or four consecutive seasons with the District.

2. The course must be taken from an accredited institution of higher learning.
3. The course must be job or industry related or be required for a degree that is job or industry related.
4. An employee must request approval for educational assistance from his/her Department Head, prior to registering for classes. Upon approval by the Department Head, the request is forwarded for review and approval by the Director of Human Resources and General Manager.
5. Employees who do not complete the course with a grade of "C" or better, or who voluntarily terminate their employment within twelve (12) months of receiving educational assistance, must reimburse the District for the full amount of the assistance provided.

6.8 Benefits for Part-time Positions

Part-time year round employees working more than 24 hours each week in a designated "benefits eligible" position are eligible for benefits after one (1) year of continuous employment.

6.8.1 *Eligibility*

1. Employee must work an average 24-39 hours per week for one continuous year in a "benefits Eligible" position.
2. Employee must continue to regularly work 24-39 hours per week to remain eligible for part-time benefits.
3. Where approved, employee may combine two jobs as

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long as the year-round status is maintained (12 months each calendar year).

4. If an employee works less than 48 hours per pay period or less than 24 hours per week they may lose their part-time year round benefit status. (An exception would be an employee off on approved Leave of Absence).
5. Seasonal, temporary, limited part-time and on-call positions are ineligible for part-time year round benefits.
6. Department Head, Director of Human Resources and General Manager must approve offers for "benefits eligible" positions and/or individual requests to convert from a full-time year round position to a part-time year round position.

6.8.2 Benefits

1. The District will pay 50% of the cost of health insurance; including medical, dental, vision, short-term disability, long-term disability, life insurance, and AD&D.
2. Half-time accruals for vacation and sick leave.
3. Pro-rated holiday pay.
4. Pension contributions, deferred compensation, employee assistance and recreational privileges are the same as full-time year round employees.

6.9 Employee Assistance Program

The District provides an Employee Assistance Program (EAP) to all employees that provides counseling, confidential support and other services to employees and their dependents for both work and life challenges; see Human Resources Department for details.

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6.10 Recreation Privileges

District employees and their dependents may be eligible to receive recreation privileges at District facilities during their term of employment as presented in the current IVGID Employee Recreation Privileges brochure. *Participation is strictly voluntary and is not a requirement of employment.* Employee photo identification must be shown when utilizing any of these privileges. Where applicable, peak period definitions and restrictions, availability limitations and access arrangements will be set by the Department Head. The District's paying customers have priority and employees are expected to leave an activity if a paying customer would otherwise be turned away. The District's employee recreational privileges are subject to change by the Board of Trustees and may be revoked if the privilege is abused by an employee and/or their qualified dependents.

Silver Card – An eligible employee with at least ten years of full-time service (or equivalent for seasonal manager) but less than twenty years of service with the District at the time of separation, will receive a Silver Card entitling the employee to 50% discount of the applicable resident rate at District recreational facilities for life.

Gold Card – An eligible employee with at least twenty years of full-time service (or equivalent for seasonal manager) with the District at the time of separation will receive a Gold Card entitling the employee to free use of District recreational facilities for life.

6.11 Workers' Compensation (All District employees are covered by this benefit)

Employees and volunteers (excluding Ski Patrol Volunteers) are insured under the provisions of the State Workers' Compensation Act for injuries received while at work for the District. Employees are required to report all on-the-job accidents, injuries, or illness to their immediate supervisor as soon as reasonably possible or within twenty-four (24) hours of the accident, injury, or illness.



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The following provisions are adopted pursuant to and are intended to implement the requirements of NRS 616:

1. When an employee is injured at work, he/she must immediately notify his/her supervisor and within seven (7) days following the incident complete a "Notice of Injury or Occupational Disease" form (commonly referred to as a "C-1" form). The employee will now have 90 days to see a doctor.
2. If the employees sees a doctor within the 90-day period, a "Claim For Compensation/Report of Initial Treatment" (commonly referred to as a "C-4" form) must be completed by both the employee and the doctor. This form is provided and completed at the doctor's office or emergency room during the initial visit.
3. Following the doctor's or emergency room visit, the employee will receive a copy of the C-4 form. The employee must take that copy of the C-4 form to his/her supervisor. The supervisor will need to then complete another form, the "Employer's Report of Industrial Injury or Occupational Disease" (commonly referred to as a "C-3" form).
4. The C-1 form and the C-3 forms are sent to the District's Third Party Administrator, who, in turn, must accept or deny the workers' compensation claim within thirty (30) working days of receipt of the C-4 form from the doctor or emergency room.

For additional and more complete information, employees should consult the District's Operations and Safety Manual, Section C.

Employees in benefitted position, who have accrued sick leave, may elect to use his/her sick leave to make up the difference between his/her normal salary and the amount of any benefit for temporary total disability received, exclusive of reimbursement or payment of medical or hospital expenses.

The District is committed to providing work, when possible, for



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employees who have been restricted by a treating physician due to a work-related injury or illness. Such work will be provided subject to availability. Work will be assigned according to the nature of the injury or illness and the limitations set forth by the treating physician. Every effort will be made to place employees in positions within their own department. If necessary, an employee will be placed wherever an available and appropriate position is available.

While on temporary modified duty, employees will continue to receive their regular rate of pay.

An employee on temporary modified duty must furnish a written update of their medical condition to his/her Department Manager from the treating physician after each visit in order to remain in the temporary job.

6.12 Related Forms

- IVGID Employee Recreation Privileges
- Notice of Privacy Practices
- Educational Assistance Form



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7. TRAVEL EXPENSES

7.1 Policy

1. Employees will be reimbursed for reasonable travel expenses, which are required for the performance of their assigned duties, with prior management approval.
2. To obtain reimbursement, employees must provide adequate justification and support for expenses with appropriate backup receipts and documentation.
3. Reimbursement will be made only for actual expenses or per diem authorized under this policy.

7.2 Allowances

7.2.1 *Mileage*

The District will attempt to make a vehicle available to employees to use for official travel. If there are no District vehicles available and the employee must use a personal vehicle, mileage will be reimbursed at the per mile rate set by the Internal Revenue Service in effect at the time of the travel. If an employee drives a personal vehicle when commercial air travel would be more efficient, the mileage reimbursement will be limited to the cost of the airfare.

Mileage reimbursement will be based on actual miles driven (evidenced by odometer readings) not to exceed the distance of the business destination from your District work location. Commuting mileage from an employee's home to the employee's work location will not be reimbursed. Mileage reimbursement can be requested and approved by using the appropriate form available on the District's Intranet.



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7.2.2 Lodging

Moderate cost lodging should be pre-arranged at a location nearest to the meeting/training site as possible. Reimbursement will be based on the cost of a single room if available. A detailed receipt for charges is required for reimbursement of incurred lodging expenses.

7.2.3 Meals

1. The cost of meals will be reimbursed on a per diem rate, in accordance with Internal Revenue Service, Publication 1542 "Per Diem Rates". The current table has an access link from the District's Intranet.
2. No reimbursement will be allowed for actual expenses for any meal which is provided or made available to an employee as part of the cost of a meeting, class, or other function, regardless of whether the employee partakes of the provided meal or purchases his/her meal elsewhere.
3. Reimbursement for the actual cost of meals (instead of using a per diem rate) must be supported by detailed receipts.

7.2.4 Other Expenses

Necessary business telephone calls, one telephone call home for each day away from work, parking charges, and/or ground transportation will be reimbursed based upon accompanying receipts.

7.2.5 Unallowable Expenses

1. The District will not reimburse for fines and parking tickets, towing or impounding fees, traffic violations, alcoholic beverages, personal entertainment, tobacco,

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or expenses unrelated to the business purpose of the travel.

2. The District discourages combining personal travel with business travel due to the public's perception regarding the use of District funds. Employees must clearly disclose any personal travel and/or vacation time to be taken in conjunction with District travel. An employee's family may accompany the employee on District business, provided travel is not in a District vehicle. The District will not, however, pay any additional expenses so incurred.
3. The District will not reimburse tips over 15% of the cost of the meal.

7.3 Processing

7.3.1 *Travel Authorization Forms*

For overnight travel, employees must complete a Travel Authorization form and obtain approval from his/her supervisor and Department Head prior to the travel taking place. The Travel Authorization form should be sent to Accounts Payable for scanning and retention.

7.3.2 *Expense Reports*

Expense reports, with required receipts for reimbursement of travel expenses, are to be submitted after supervisory approval to Accounts Payable within seven (7) working days following the trip.

7.3.3 *Advances*

Employees may request an advance to cover anticipated expenses of at least fifty dollars (\$50.00). When advanced



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funds have been provided, all unused funds must be returned with a completed expense report submitted to Accounts Payable within five (5) working days following any trip. Expense reports must be approved by the employee's supervisor.

7.4 Related Forms

- Travel Authorization Form (Completed prior to overnight travel)
- Expense Report (Must be completed when an advance other than per diem has been received)
- Mileage Reimbursement Form (Completed when only mileage is being reimbursed)

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8. PROCUREMENT CARDS

8.1 Policy

The Incline Village General Improvement District's Procurement Card Program is established as an efficient, cost-effective method for purchasing and paying transactions within the established usage limits. The program is designed to complement the use of the District's Purchase Orders, Direct Pay Invoices, and/or facilitate employee travel expenses.

8.2 Scope

The Procurement Card is **not** intended:

1. To avoid or bypass the District's purchasing or payment procedures.
2. To replace purchase orders issued by the District for purchase commitments.
3. To over ride travel authorization procedures.
4. For personal use.

8.3 Authority of Issuance

The General Manager or designee will approve issuance of all cards to cardholders and all credit limits. The District's Accounting Department will issue cards upon the General Manager's or designee's approval and maintain the original signed Cardholder Agreements. Copies may be requested from the Accounting Department.

Any subsequent change in the permanent credit limit must be supported by a request from the employee's supervisor, and then approved by the General Manager or designee. Supervisors can



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request a "Set- Up Form" from the Accounting Department. Once all approval levels have been received, the Accounting Department will submit the form to the credit card issuer. The Accounting Department will keep the revised "Set-Up Form" in the cardholder's procurement card folder.

8.4 Termination of Employment with the District

Upon termination of employment with the District, the Procurement Card must be turned in immediately to the employee's Supervisor or to the Director of Human Resources.

8.5 Benefit of the District

All purchases made with a District Procurement Card must be for the use and benefit of the District. No personal purchases are allowed.

8.6 Verification of Transactions

The Accounting Department will verify Procurement Card activity. The District has established the primary verification and approval process for its Procurement Cards is an online system. All receipts will be reviewed for accuracy, appropriate activity and inappropriate activity. Unauthorized use will result in consequences ranging from suspension of card to disciplinary action, up to and including termination.

8.7 Revocation of a Procurement Card

District Supervisors, the General Manager, and the Director of Finance, Accounting and Risk Management have the right to revoke a Procurement Card at any time, for any reason.

8.8 Splitting of Charges

Splitting of charges in order to avoid exceeding cardholder's individual spending limit is prohibited.

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8.9 Gratuity

If the procurement card is used to purchase a meal, a maximum limit up to 15% gratuity may be placed on the card. Any additional tip will be a personal expense. Provide the charge slips to support the base amount of the purchase.

8.10 Receipts

All purchases must be evidenced by a receipt which is turned into the Accounting Department. The receipts should include details of what was purchased and the account codes for posting the charge to the procurement card. The receipt should be turned in within five (5) days of the charge.

8.11 Accounting Processing and Reconciliation

1. All card purchases must be within employees established purchase limit. The Accounting Department maintains the Procurement Card receipts in a pending file for reconciliation with the monthly statement. If a receipt is missing, the employee will be contacted immediately. If a receipt is not available, the purchase details will be documented and approved by the employee's supervisor, and then forwarded to the Accounting Department.
2. The Procurement Card receipts are reviewed to ensure that goods purchased are authorized and to ensure that no Nevada sales tax was included.
3. After reconciliation of the individual Procurement Card with the online system, all purchases are entered in the database system and prepared for payment in accordance with the District's Accounting Policies and Procedures.
4. All Procurement Card payments to the bank are processed monthly to assure that they progress through the District's

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financial system and are paid by the payment deadline set by contract.

5. The cardholder and his/her supervisor approve all purchases online. The Accounting Department will maintain all receipts in a procurement card provider folder for archiving.

8.12 Cardholder's Responsibilities

1. The Procurement Card will be used by the approved cardholder, whose name is embossed on the card, or by another IVGID employee who has received advanced approval from the cardholder.
2. Cardholders are responsible for the security of the Procurement Card and the transactions made against the card. The credit card is issued in the approved cardholder's name. The cardholder may use their card immediately upon receipt, signing for, and online activation.
3. The cardholder is responsible for not exceeding his/her purchase limits. If a purchase is necessary that will exceed the established limit, the employee must obtain approval from his/her Supervisor. If approved, the Supervisor will notify the Accounting Department of this one-time exception, and the Accounting Department will then notify the credit card issuer.
4. The cardholder must report lost or stolen cards to the District's Accounting Department and to his/her supervisor immediately.
5. The cardholder must surrender their Procurement Card to their Supervisor or the Director of Human Resources upon termination of employment.
6. It is the cardholder's responsibility, as an agent of the District, to ensure that State of Nevada sales tax is not charged. Tax exempt cards and forms are available in the Accounting



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Department and the tax-exempt number is on the front of the Procurement Card.

7. The cardholder must verify the receipt of materials ordered with the Procurement Card and must follow-up with the merchant to resolve any delivery problems, discrepancies, or damaged goods.
8. The cardholder is responsible for following up with the merchant on any erroneous charges, disputed items, or returns as soon as possible. The District's Accounting Department should be notified as soon as possible of any Procurement Card credits or disputes with a merchant.
9. Within five (5) days from date of purchase, coded receipts must be sent to the Accounting Department by the employee. The receipt must include the employee's printed name, along with his/her signature. If it is a food purchase, then the names of all persons present must be included and business purpose stated.
10. Each Cardholder is responsible for reconciling and approving their transactions online. The cardholder's supervisor will also review and approve all items online.

8.13 Related Forms

- Procurement Card Agreement
- Card Set-up Form



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9. PERFORMANCE MANAGEMENT

9.1 Statement

The District believes that all employees should receive an opportunity to discuss their performance and career with their supervisor. To that end, the District's performance management process is designed to be a formal, objective, constructive, consistent, and on-going process to communicate with the employee on job performance standards and behaviors. Unsigned behavior incident forms may be used as part of the evaluation process when co-signed by a witness to the employee's refusal to sign. The District views performance management as an on-going process that focuses on the future and continued growth of employees.

9.1.1 *Purpose*

The performance management process exists to ensure timely and periodic two-way communication between employees and supervisors regarding job performance. This process is designed to:

1. Clarify the District goals/objectives and link them to performance expectations.
2. Motivate employees through feedback.
3. Maximize employee potential by identifying training needs and developing specific plans for continual improvement.
4. Document performance achievements.
5. Identify and resolve performance deficiencies.
6. Provide on-going opportunities for supervisors to coach and encourage personal development and

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improved job performance.

7. Assist in planning by identifying high performing and under-performing employees and identify plans for continued and future growth and/or improvement.
8. Maximize employee potential.

9.1.2 Ongoing Communication Regarding Performance

It is the policy of the District and the responsibility of each supervisor to routinely provide employees with accurate, constructive feedback regarding job performance expectations, accomplishments, deficiencies, and opportunities for growth. Recognizing that periodic formal performance evaluations cannot take the place of ongoing communication and feedback, the District encourages frequent, ongoing discussions of job performance and expectations between employees and supervisors.

9.1.3 Frequency of Performance Evaluations

Formal performance evaluations are to be conducted a minimum of once a year or at the end of a season on the District's Performance Management Evaluation forms. Additionally, supervisors may conduct formal evaluations at the following times:

1. For new employees, after 12 months of employment.
2. Twelve (12) months following transfer to a new position.
3. When there is a significant change (either improvement or deterioration) in performance or behavior affecting the job.
4. Within six (6) months following an evaluation

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documenting that the employee's performance needs substantial improvement. The District encourages frequent, ongoing meetings between the employee and supervisor and a Performance Improvement Plan.

5. At any other more frequent interval as the supervisor deems appropriate. In addition, informal performance communications (feedback) should occur routinely and regularly throughout an evaluation cycle.

9.1.4 Written Record

Immediate supervisors will conduct evaluations in a private meeting with the employee. Formal evaluations will be in writing, utilizing the District's Performance Management Evaluation forms. All information on the form will be consistent with the information communicated verbally during the performance evaluation meeting with the employee. Employees will be allowed an opportunity to comment on the evaluation, sign the forms, and receive a copy. A copy of the evaluation, along with any written comments by the employee, will be placed in the employee's personnel file.

9.1.5 Personnel Actions Resulting from Performance Evaluations

Personnel actions, whether positive or adverse, are based on an assessment of the overall performance and behavior of the employee, rather than on a single performance evaluation.

Substandard performance or violation of a policy or procedure which necessitates disciplinary action is not part of the performance evaluation process and will be addressed as provided in *Section 12 Disciplinary Actions and Appeals* of these policies.



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9.1.6 Employee Involvement

The District strongly encourages employee participation in the performance evaluation process. Opportunities for participation include the following:

1. Supervisors providing employees with an opportunity to present a self-evaluation which the supervisor may then consider prior to and discuss during the evaluation meeting.
2. Discussions between the supervisor and the employee for the purpose of establishing performance expectations for the next evaluation period.
3. If requested by the employee, a discussion with the next level supervisor to review any disagreements over a performance evaluation.

9.2 Procedure

9.2.1 Steps in the Performance Evaluation Process for year round employees

As part of the performance evaluation process, supervisors will:

1. Establish and communicate expectations and/or standard for the employee to meet. Refer to the District's Performance Evaluation Users Guide for District-wide expectations for each competency.
2. Review any notes taken on the employee's performance since the last formal evaluation and the employee's self-evaluation, if provided.
3. Complete a Performance Management Evaluation form



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covering the employee's actual performance since last formal evaluation.

4. Have next level management review draft evaluation form prior to holding discussion with the employee.
5. Schedule a meeting with the employee and provide them a copy of the evaluation form to read, prior to the meeting.
6. During the evaluation meeting:
 - a. Use specific examples to provide a candid, objective, constructive, and complete description of how the employee performed during the evaluation period. Discuss both the "what's" and "how's" of the employee's performance, strategies for growth and improvement, and the employee's goals for personal growth.
 - b. Provide a clear assessment of the employee's potential and future with the District.
 - c. Jointly establish new performance expectations for the next performance evaluation cycle.
 - d. Obtain appropriate signatures and employee comments.
 - e. Review and discuss any areas of disagreement. Document any agreed upon follow-up.
 - f. Completed performance evaluation forms are to be sent to Human Resources to be filed in the employee's personnel file. Refer to Annual Evaluation Checklist to ensure all items have been completed.

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7. Continue to monitor performance, providing feedback, as well as coaching and counseling, throughout the evaluation cycle.

9.2.2 Performance Evaluation Process for seasonal employees

Prior to the end of the season, supervisors are to complete a seasonal performance management evaluation form for each employee. Supervisors are to meet with the employee to discuss the ratings and comments and to obtain employee comments, if any, and have the employee sign their evaluation form. Completed evaluation forms are to be sent to the Human Resources Department for filing in the employee's personnel file.

9.3 Related Forms

- Evaluation Form
- Self Evaluation Form
- 360 Feedback Form
- Seasonal and Part-Time Year Round Evaluation Form



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10. EMPLOYEE SEPARATION

10.1 Resignation

10.1.1 Notice

Employees are requested to provide at least two (2) weeks notice, in writing, to their supervisor or manager of their intent to resign their employment. At the sole discretion of the District, an employee may withdraw a resignation at any time prior to its effective date. An employee's failure to give appropriate notice when resigning may constitute a conditional or no re-hire status with the District.

10.1.2 Return of District Property

When separating from employment, an employee must return all District property including employee identification card, clothing, keys, tools, equipment, procurement cards, cellular telephones and/or radio and other items of value on or prior to the last day of employment. Use of a Termination Checklist is encouraged for year-round employees.

10.1.3 Job Abandonment

Employees who are absent from work without approved leave (no call – no show) will result in disciplinary action up to and including termination, which will be considered a resignation. A no call – no show is determined as up to 3 days of not showing up; however department can make the determination from 1-3 days of not showing up.

10.1.4 Final Paycheck

The District will issue a final paycheck by the next payday following the effective date of termination or within seven (7) days, whichever is earlier. If sufficient notice is given by the



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employee, the District *may* issue a paycheck sooner when the employee resigns in good standing.

10.2 Layoffs

The District may layoff employees because of the end of a season, lack of work, lack of funds, material change in duties or organization; or in the interests of economy, efficiency; or for other appropriate causes, as determined by the District.

10.2.1 Alternatives to Layoff (for year round employees)

Whenever a layoff is anticipated, the District will notify employees whose jobs may be affected by the situation and explain all available options to them. The District will make reasonable efforts to integrate affected employees into other available positions. The District may also utilize options in lieu of layoffs where feasible such as part-time work schedules, reduction in work hours, job sharing, or reductions in classification or pay.

10.2.2 Order of Layoffs

For year round employees, the order of layoff among employees in the same class within a department will be as follows: employees serving a probationary period will be considered first, and then all other employees will be considered.

In deciding which employees will be laid off and which retained, the District will consider job-related factors such as job knowledge, skill, and ability to do the required work; previous work experience, including ability to perform other jobs which the employee may be called upon to perform as a result of the layoff; attendance, safety, and disciplinary records; performance evaluations while with the District; and efficiency of operations.

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10.3 Discharge

Discharges occur when previous counseling and/or disciplinary actions fail to help an employee improve their performance, or change their behavior or when a single offense warrants such action; see *Section 12 Disciplinary Actions and Appeals*.

10.4 Exit Interviews

Full-time year round employees leaving the District will be asked to participate in an exit interview with the Human Resources Department. The purpose of conducting exit interviews is to obtain honest feedback from each employee as to why they are leaving, gather information from their experiences with the District and identify where the District can improve in a continuing effort to attract and retain quality employees.

10.5 Related Forms

- Termination Checklist



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11. RULES FOR CONDUCT AND BEHAVIOR

11.1 Statement

By accepting employment with the District, an employee has a responsibility to the District, and to other employees, to adhere to certain rules of behavior and conduct. This is in addition to a duty of loyalty based on the District's Vision, Mission and Value Statements. The purpose of stating the rules of behavior and conduct is to be certain that each employee understands some of the conduct that is expected of all District employees. Rules of conduct are needed to help everyone work together efficiently, effectively and harmoniously. When each person is aware that she/he can fully depend upon fellow workers to follow the rules of conduct and behavior, the District establishes a better place to work for everyone.

11.2 Unacceptable Activities and/or Behaviors

The District expects each employee to act in a mature and responsible manner at all times while at work or representing the District.

Note: The following list does not include all types of conduct and behaviors that can result in disciplinary action up to and including termination.

1. Willfully or intentionally violating or failing to comply with the District's policies, rules, regulations, and/or procedures.
2. Violation of security or safety rules or failure to observe safety rules or District's safety practices; failure to wear required safety equipment; tampering with District equipment or safety equipment; or engaging in conduct that creates a safety or health hazard to other employees, the public, and/or him/herself.
3. Negligence or any careless action which endangers the life or

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safety of another person.

4. Being intoxicated or under the influence of a controlled substance while at work or on-call status; use, possession or sale of a controlled substance in any quantity while on District premises, except medications prescribed by a physician which does not impair work performance.
5. Possession, bringing, or aiding others in bringing unauthorized firearms, weapons, hazardous biological material or chemicals, or other dangerous substances onto property owned or controlled by the District.
6. Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on District premises or when representing the District; fighting, or provoking a fight on District property, or negligent damage of property.
7. Refusing to obey instructions properly issued by a supervisor or manager pertaining to work; refusal to assist where needed, or other disrespectful conduct directed toward a supervisor or manager.
8. Threatening, intimidating, or coercing fellow employees on or off the premises at any time, for any purpose.
9. Engaging in an act of sabotage; negligently causing the destruction or damage of property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
10. Theft or unauthorized possession of District property or the property of fellow employees; unauthorized possession or removal of any District property, including documents, from the premises without prior permission from management; or unauthorized use of District equipment or property for personal reasons.
11. Dishonesty; falsification or misrepresentation on an application

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for employment or other District records, forms or reports.

12. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
13. Conducting a lottery or gambling on District premises, other than a small Super Bowl and/or World Series pool.
14. Unsatisfactory or careless work; failure to meet production or quality standards.
15. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs; any act of bullying.
16. Leaving work before the end of a workday or not being ready to work at the start of a workday, without appropriate approval; stopping work before time specified for such purposes.
17. Sleeping during working hours.
18. Failure to report an absence or late arrival; frequent and/or unexplained absences; tardiness; no call/no show for scheduled work period; walking off the job; failure to follow departmental procedure for notification of absence or late to work; misuse of sick leave.
19. Obscene or abusive language toward any manager, employee or visitor; indifference or rudeness toward a visitor or fellow employee; any disorderly/antagonistic conduct on District premises.
20. Speeding or careless driving of District vehicles.
21. Failure to immediately report damage to, or an accident involving District vehicle and/or equipment.

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22. Soliciting during working hours and/or in working areas on District premises.
23. Undermining the confidence of the Board of Trustees and/or other District management with public statements prior to internal resolution.
24. Conduct that is deemed unbecoming an employee in the District's service, or discourteous treatment of members of the public or a fellow employee, or any other act of omission or commission that impacts negatively on the public's perception of the integrity or credibility of the District or erodes the public confidence in the District.

11.3 Related Forms

None

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12. DISCIPLINARY ACTIONS AND APPEALS

THIS SECTION COVERS DISCIPLINARY ACTIONS AND APPEALS FOR YEAR-ROUND FULL AND PART-TIME BENEFITED POSITIONS, SEASONAL MANAGER AND MULTI- SEASONAL YEAR-ROUND POSITIONS. SECTION 12.6 IS APPLICABLE TO SEASONAL, PART-TIME YEAR-ROUND, LIMITED PART-TIME AND ON-CALL POSITIONS.

12.1 Progressive Discipline

Disciplinary actions are usually required when discussions, clarifications, coachings, directions or explanations of duties, standards, policies, procedures, rules and guidance with respect to performance and/or behavior does not produce required results.

Performance, behavior and circumstances are not all alike and it should be recognized that there cannot be a single standard for all disciplinary actions and progressive disciplinary action is not required or appropriate in every situation.

Disciplinary actions are a twofold process: 1) to correct performance, behavior or other issues; and 2) to document substandard performance and/or conduct and the steps taken to correct the performance and/or behavior.

The District normally uses a system of progressive discipline; however, depending on the severity of the infraction, misconduct, or inappropriate behavior, warnings and/or reprimands may be bypassed.

Disciplinary actions received by an employee will be treated in a cumulative manner. Infractions of different natures will be considered together when assessing whether discharge is warranted. The nature of infractions or performance deficiencies need not be related to warrant discharge, e.g., a performance warning coupled with a work rule violation may result in discharge when their cumulative

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effect is considered.

12.2 Types of Disciplinary Action

1. Verbal Warning – A documented formal discussion with an employee about performance, behavior, conduct, and/or other problems. The supervisor or manager will summarize the discussion, including date when it occurred and those present. Both the supervisor/manager and the employee will sign the documentation.
2. Written Warning – A written document is presented to the employee regarding performance, behavior, conduct and/or other problems. An Incident Report form is available. The documentation will include:
 - a. Date
 - b. Statement of performance problem(s), behavior and/or other problems being addressed, including policy, procedure or rule violations, if appropriate.
 - c. Summary of prior counseling, warnings or disciplinary actions that are related to the performance, behavior and/or other problems.
 - d. Statement of expected/required change.
 - e. Statement of consequences if issue is not resolved and/or corrected.
3. Suspension – Involuntary absence for a specified period normally not exceeding five (5) days. Generally, when a suspension is for disciplinary purposes, it is without pay. However, there may be instances where suspension is imposed with pay, such as when an employee is suspended with pay pending the results of an administrative investigation or given a decision day.

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4. Salary Reduction – A reduction in pay from the employee's current level within a salary range to a lower level within that same salary range.
5. Demotion – A reduction from a position in one salary range to a position having a lower salary range.
6. Discharge – This course of action is taken when all previous disciplinary action has failed to improve performance, change behavior, or when a single offense warrants such action; *see Section 12.4 for details.*

Note: Employees in FLSA exempt positions are subject to the following regarding disciplinary pay deductions and unpaid suspensions:

- a. Pay deductions may only be made in cases of violations of safety rules of major significance, including those rules related to the prevention of serious danger in the workplace or to other employees.
- b. Unpaid suspensions may be imposed for infractions of workplace conduct rules, such as rules prohibiting harassment, workplace violence, drug or alcohol use, or for violating state or federal laws. The suspensions must be for serious misconduct, not performance issues. Suspensions must be in full-day increments.
- c. Unpaid suspensions for performance issues must be made in full-week increments.

12.3 Due Process

Prior to taking disciplinary action involving suspension, reduction in pay, demotion or termination, the District will take action to ensure the employee is afforded due process. Due process in regard to employment-related disciplinary action includes making certain the

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employee is provided notice of the reason for disciplinary action and is given the opportunity to provide a response to the proposed disciplinary action prior to the supervisor/manager making a final decision regarding disciplinary action.

12.4 Discharge

The final step in the discipline process is discharge. In some situations this action is taken when all previous or cumulative disciplinary actions have failed to achieve desired results or other situations where a single offense warrants such action. When the proposed disciplinary action is discharge, a written notice of the proposed disciplinary action will be hand delivered or sent certified mail to the employee. The notice will include:

- a. The intended disciplinary action and effective date.
- b. A statement of what led to the proposed disciplinary action with supporting documentation and/or other evidence (except for confidential and privileged documents).
- c. Any other facts or circumstances considered by the manager or Department Head in deciding the proposed disciplinary action.
- d. A statement advising the employee of his/her right to file a written response or request a pre-disciplinary conference with his/her Department Head, within three (3) work-days of receipt of the notice of proposed disciplinary action.
- e. A statement that the employee's failure to file a written response or request a pre-disciplinary conference in a timely manner will constitute forfeiture on the employee's rights to any further appeal.
- f. If the employee requests a pre-disciplinary conference, the Department Head will schedule a meeting with the employee in a timely manner to review the reason and basis

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of the proposed discharge. During this pre-disciplinary conference the employee will have the opportunity to present relevant information that may impact the nature or severity of the proposed disciplinary action.

- g. Within three (3) work days from receipt of the employee's written response or conclusion of the pre-disciplinary conference, the Department Head will issue a written decision to the employee. The written decision will inform the employee that:
 - 1. The proposed discharge will be implemented; or
 - 2. The proposed discharge will be modified, with an explanation; or
 - 3. The proposed discharge will be rescinded, with an explanation.
- h. The employee may appeal the discharge to the General Manager using Step 3 of the Concern/Dispute Resolution. The decision of the General Manager is final.

12.5 Administrative Leave During Disciplinary Proceedings

By notifying an employee, the District may place an employee on administrative leave, with or without pay pending an investigation of alleged misconduct or performance deficiencies, prior to or during a disciplinary proceeding, or during the review of the employee's response to a proposed disciplinary action. The notice will include a statement that the leave is not a disciplinary action. An employee placed on administrative leave without pay who is later reinstated without disciplinary action being taken will be reimbursed for any pay lost during the administrative leave.

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12.6 Discharge of Employees in Seasonal, Part-time, On-Call and Temporary positions

Employees in seasonal, part-time, on-call and temporary positions will be coached, counseled and/or informed of performance or behavioral deficiencies and provided an opportunity to correct their performance and/or behavior. Prior to discharge, an employee should be told continued performance and/or behavioral deficiencies will lead to termination, unless the performance and/or behavior warrants immediate discharge. Immediate discharges must be approved by the Department Head or designee prior to the immediate discharge and documented for the employee's personnel file.

12.7 Related Forms

- Incident Report Form

12-6

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13. CONCERN/DISPUTE RESOLUTION

13.1 Concern/Dispute

When an employee believes he or she has not been treated consistently by the District, or when an employee believes a mistake has been made in the administration of the District's personnel policies or a departmental rule or procedure, every effort will be made to resolve the issue by the District management team. The term "**dispute**," as used herein, excludes the following:

1. Disciplinary action.
2. Any impasse or dispute in collective bargaining negotiations.
3. Any matter within the scope of representation for employees in a recognized bargaining unit.
4. Any matter which may be or has been grieved under an applicable collective bargaining agreement.
5. Termination of a probationary employee.
6. Termination of an at-will employee.

13.2 No Retaliation

The District shall not restrain, coerce, retaliate, interfere with, or discriminate against any employee based on the employee's use of the dispute resolution process.

13.3 Time Limits

1. The time limits set here are essential to the concern/dispute resolution process and will be strictly observed. The time limits may be extended by written agreement, signed by the employee and the District.

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2. If, at any stage of the concern/dispute resolution process, the employee is dissatisfied with the decision rendered, the employee will be responsible for submitting the dispute to the next designated level within the delineated time limits. If the employee fails to submit the concern/dispute to the next designated level within the time limits imposed, the concern/dispute resolution process will be considered terminated, the concern/dispute will be considered settled on the basis of the last decision, and the concern/dispute will not qualify for further appeal or reconsideration.
3. If the appropriate District representative fails to respond within the time limits specified, the employee has the right to proceed to the next step within the prescribed time limits. Any such failure by a District representative will not constitute an admission of the validity of the concern/dispute.

13.4 Concern/Dispute Resolution Process

13.4.1 Discussion with Immediate Supervisor (Step 1.)

1. The employee will first discuss the concern with the immediate supervisor. The discussion should be held within five (5) work days of the action causing the concern or of the date the action reasonably could have been expected to be known to the employee. In no event will any concern/dispute be accepted for consideration more than six (6) months from the date of the initial occurrence causing the concern/dispute, regardless of the date the action became known to the employee.
2. The immediate supervisor will respond to the employee, in writing, within three (3) work days of the discussion between the employee and supervisor.

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13.4.2 Formal Written Notice of Concern/Dispute (Step 2.)

1. In the event the employee believes the concern/dispute has not been satisfactorily resolved at Step 1, the employee may submit the concern/dispute, in writing, to his/her Manager within five (5) work days after receipt of the immediate supervisor's response. The employee may also file a copy with the Director of Human Resources. If the written notice of dispute is not presented within the time limits provided herein, it shall be waived. The Manager must respond, in writing, within five (5) work days. If the employee is not satisfied with the Manager's decision, the employee may request a review by the Department Head, within five (5) work days. The Department Head will make a decision and inform the employee, in writing, within five (5) work days. The Department Head's decision is final for all seasonal and temporary employees. The written notice of concern/dispute should:
 - a. Fully describe the concern/dispute and how the employee was adversely affected.
 - b. Set forth the section(s) of the written policy or departmental rule allegedly violated and state the specific nature of the violation.
 - c. Indicate the date(s) of the incident(s).
 - d. Specify the remedy or solution to the dispute sought by the employee.
 - e. Be signed by the employee.
2. No modifications in the alleged basic violation will be made subsequent to the filing of a dispute, unless mutually agreed to by both the District and the employee. However, corrections in citations can be

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made at any time by the employee representative.

13.4.3 General Manager Review (Step 3.)

1. If a concern/dispute is not settled at Step 2. of this procedure, the concern/dispute may be appealed in writing to the General Manager within five (5) work days from receipt of the written response from the Department Head. The concern/dispute decision appeal must specifically state the reason the answer(s) previously provided is/are not satisfactory. A meeting, coordinated by the Human Resources Department, may be held with the employee to discuss the concern/dispute.
2. The General Manager will deliver a written decision to the employee within five (5) work days of the meeting outlining the reasons behind the decision. The decision will be final and binding.

13.5 Other

There may be certain situations where an employee is unable or unwilling to approach a supervisor or manager with a concern/dispute, as the supervisor or manager may be the issue, or the situation involves concerns of harassment, or retaliation, and/or discriminatory practices. In these situations, the employee may immediately contact the Department Head of Human Resources to discuss the situation. If Human Resources does not resolve the employee's concern/dispute, the employee may request a meeting with the General Manager.

The Human Resources Department acts as the central repository for all concern/dispute records.

13.6 Related Forms

None

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14. HEALTH AND SAFETY

The District is committed to the health, safety, and well being of all its employees and guests. As a result, the District has an established comprehensive safety and loss prevention program for all employees. The goal is to provide a safe working environment for all employees by reducing their exposure to risks and establishing a program that subscribes to loss prevention, loss control, and loss financing. We will accomplish our goal through the use of standard safety policies, practices, and procedures, continually monitoring of all locations, employee training, accident investigation, accident prevention and claims management.

14.1 Responsibilities

1. Director of Finance, Accounting & Risk Management

The Director of Finance, Accounting & Risk Management is responsible for the development, coordination and implementation of safety programs and safety education. Responsibilities also include work-site inspections, hazard reduction and/or elimination and accident/ injury investigation, analysis, reporting, employee training programs, and management.

The Director of Finance, Accounting & Risk Management will advise the General Manager as well as Department Heads, supervisors and employees of unsafe conditions, problems related to accident prevention and recommendations for loss control.

The Director of Finance, Accounting & Risk Management will work with employees and Supervisors in consultation with the Washoe County Health officials involving actions to be taken when an employee notifies the District that he/she has a communicable disease.

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2. Department Head

The Department Head is responsible for fulfillment of departmental goals and objectives while focusing on the health and welfare of each employee and customers; with the highest priority being placed on employee safety. It is normal practice for supervisors and other designated employees to be delegated the authority to carry out safety policy, practices and procedures for their area of responsibility; but the responsibility for meeting objectives and the protection of employees in performance of their assignments cannot be delegated.

3. Supervisor

Supervisors will assume the responsibility of their personnel receiving thorough instructions in the safe practices and procedures to be observed in their work situations. They will consistently enforce safety standards and requirements to the utmost of their ability and authority. "Safety First". Supervisors will act positively to assess risks and eliminate any potential hazards within the activities under their jurisdiction and they will set the example of good safety practice. Safety performance will be assessed along with other phases of supervisor performance. Therefore, it is essential that such records are complete and accurate and that all accidents be fully reported.

Supervisors will work with the Director of Finance, Accounting & Risk Management and an employee who has advised that he/she has a communicable disease to prevent transmission of the disease.

4. Employee

Each employee, as a part of the comprehensive safety and loss prevention program, is expected to place safe work practices and procedures as their highest priority while

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performing their daily tasks. Each employee's commitment to safety must include the tasks of recognizing, identifying, mitigating and reporting hazards to their supervisors that could result in an injury to themselves or others as well as damage to District equipment. Employees must report all accidents or on-the-job injuries to their supervisor, Human Resources or the Director of Finance, Accounting & Risk Management.

Each employee is responsible to fully disclose a communicable disease to his/her Supervisor and/or the Director of Finance, Accounting & Risk Management as soon as the condition is known. Additionally, employees who are sick with a common cold or virus should be responsible and not report to work if they believe they are contagious.

The District will maintain safety and health practices consistent with established policies and regulations. Any suspected unsafe condition, all accidents and/or injuries that occur on the job, and any communicable disease must be reported immediately to a supervisor, Human Resources or the Director of Finance, Accounting & Risk Management.

Compliance with the District's safety rules is considered a condition of employment. Therefore, it is a requirement that each supervisor and employee ensure that safety is an integral part of his/her regular job functions and accept and follow established safety regulations and procedures outlined in the District's Operations and Safety Manual and the District's Occupational Safety and Health Administration (OSHA) Standards Manual.

14.2 Related Forms

District Safety Manual

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Adopted and Effective February 10, 2010

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15. DEFINITION OF TERMS

Alcohol: The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl and isopropyl alcohol.

Alcohol Use: The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol.

Applicant: A person, including a current employee, who is applying for any position with the District; may also be referred to as a candidate.

Appropriate Action: With regard to discipline; depending on the circumstances and severity of the offense, appropriate action may include, but is not limited to, a verbal or written reprimand, counseling, transfer, suspension without pay, and/or termination at the District's sole discretion.

At-Will: Employment status wherein the employee may be terminated at any time, with or without cause. An employee in an at-will status has neither property right nor an expectation of continued employment with the District.

Benefit: A form of valuable consideration paid or provided to an employee, other than salary, overtime pay, on-call pay, and bonuses. Benefits include holidays, leaves, insurance and allowances.

Contraband: Any item such as illegal drugs, drug paraphernalia, or other related items whose possession is prohibited by this policy.

Conviction: A finding of guilt, including a plea of no contest or imposition of sentence or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal laws.

Demotion: Involuntary movement of an employee from one job class to another job class having a lower maximum base rate of pay, as a result of disciplinary action.

Department Head/Department Manager: An individual or position designated by the General Manager to be in charge of a District Department.

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Disability-Related Inquiry: A question (or series of questions) that is likely to elicit information about a disability. (See *Section 2.6.8. (2)* of these policies for a more complete description.)

Disciplinary Actions: A suspension (generally without pay), involuntary demotion, reduction in pay, discharge, written reprimand and/or verbal warning.

Discrimination: Employment decisions or actions which are inappropriately taken or not, because of the applicant's or employee's race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability and/or veteran status.

Dispute: Unresolved work-related problems identified by an employee or group of employees pertaining to work-related issues. Disputes may not be related to disciplinary action.

District Premises: All District property and facilities, the surrounding grounds and parking lots, leased space, District-motor driven equipment/vehicles, offices, desks, cabinets, closets, etc.

Discharge: Termination, separation, dismissal, or removal from employment for cause.

Distribution: The act of passing out handbills, circulars, petitions and other printed material.

Domestic Partner: Two individuals (all genders included) who have registered with the appropriate office of the State in which they reside and have received a state issued certificate of domestic partnership.

Drug Test: A urinalysis (urine) test that includes specimen collection and testing by a Department of Health and Human Services (DHHS)-certified laboratory. Both a screening test and a confirmation test must be used to establish a positive test result.

Employee: A person employed in a budgeted position in one of the following

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statuses:

Full-Time Year-Round: Works forty (40) hours per week in a year round capacity, in a benefitted position.

Multi-Seasonal Year-Round 2: Works 40 hours per week in two six-month positions, both of which are in management.

Multi-Seasonal Year-Round 1: Works 40 hours per week in two six-month positions, one of which is in management.

Seasonal Manager 10: Works 40 hours per week for 10 months in a seasonal venue in a management capacity.

Seasonal Manager 7: Works 40 hours per week for 7 to 10 months in a seasonal venue in a management capacity.

Seasonal Manager 6: Works 40 hours per week for 6 months during a season in a management capacity.

Part-Time Year-Round, Benefitted: Works at least 24 hours a week, year round in a benefits eligible position.

Part-Time Year-Round: Works 20 or more hours in a week, in a year round capacity.

Limited Part-Time Year-Round: Works 6 or more hours but less than 20 hours per week, in a year round capacity.

On-Call: Works only when scheduled, called in to work or to cover for others.

Seasonal: Works only for a seasonal operation, during seasons (summer or winter) either full-time or part-time capacity.

Exempt Employee: An employee in a position that is exempt from the overtime provisions of the Fair Labor Standards Act. (Such determination is made on the basis of duties and responsibilities performed and the

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method of pay computation).

Non-Exempt Employee: An employee in a position that is subject to the overtime provisions of the Fair Labor Standards Act.

Recreational-Exempt Employee: An employee working in a position in a seasonal operation and as such employees in recreational-exempt positions are not eligible for overtime compensation. Employees working in dual positions are overtime eligible if one of the positions is designated as non-exempt.

Essential Function: A fundamental job duty of the position held or desired. A function is essential if the job exists to perform that function, a limited number of other employees are available to perform the function, or the function requires special skill or expertise. (See Section 2.6.8. (1) of these policies for a more complete description).

Equal Employment Opportunity (EEO) Officer: The staff member assigned the responsibility and authority to receive, investigate, and resolve complaints of alleged discrimination/harassment. This individual also has the responsibility to provide training to the District and assure appropriate notices are posted. The District's EEO Officer is the Director of Human Resources.

Job Description: A description of the essential functions of a job, and the factors and conditions that make it unique from other positions, described in terms of duties, responsibilities, and qualifications.

Illegal Drugs: Any controlled substance or drug which is illegal to sell, possess, cultivate, transfer, use, purchase, or distribute. Illegal drugs include prescription drugs not legally obtained and/or prescription drugs not being used in the manner, combination, or quantity prescribed, or by the individual for whom prescribed.

Layoff: A separation from the District's service because of a shortage of funds, lack of work, end of season, abolishment of a position, reorganization, or for other reasons not reflecting discredit on an employee and for reasons outside of the employee's control.

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Leave Without Pay: Authorized leave in a non-paid status.

Legal Drugs: Prescription drugs and over-the-counter drugs that have been legally obtained and are being used in the manner, combination, and quantity for which they were prescribed or manufactured.

Medical Examination: A procedure or test usually given by a health care professional or in a medical setting that seeks information about an individual's physical or mental impairments or health. (See Section 2.6.8. (3) of these policies for a more complete description).

Non-work Hours: Include break periods, meal periods or the time before or after the employee's scheduled work period.

Outside Employment: Employment with other than the District that may interfere with an employee's ability to perform his/her assigned job with the District.

Positive Drug or Alcohol Test: Any detectable level of drugs or its metabolite (in excess of trace amounts attributable to secondary exposure) in an employee's urine or blood. With respect to alcohol, a blood alcohol concentration of 0.02 or higher constitutes a positive test.

Probationary Period: A 12 month period beginning with the day the employee initially reports for work or starts in a benefit eligible position.

Promotion: The movement of an employee from one salary range to another range having a higher maximum base rate of pay.

Reassignment: An employee from one position to another position – a reasonable attempt will be made to leave pay and/or benefits the same.

Rate of Pay: An employee's current salary.

Reinstatement: The restoration of a laid-off employee to a position in which the employee formerly served as a benefited employee.

Reprimand: A verbal/written notice with an employee about performance,

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behavior, conduct and/or other problems.

Resignation: A notice by an employee that s/he intends to separate from the District's service; see Section 10.1(1) of these policies for more details.

Salary Grade: The designation of a salary range for a position.

Salary Range: The minimum and maximum salary set for each grade as designated in the Board Approved Standard Salary Ranges.

Solicitation: The act of approaching a person with a request or plea.

Substance Abuse Professional (SAP): A licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of drug- and alcohol-related disorders.

Supervisor: An employee who has been authorized to select, train, schedule, and evaluate the work of other employees, and to make decisions or effectively recommend actions related to the hiring, evaluation, and discipline of assigned employees. This person may also serve as the Department Head.

Suspension: The temporary separation from service, with or without pay, of an employee for disciplinary reasons or pending investigation of an employee's conduct.

Transfer: A lateral change of an employee from one position to another position in the same salary grade.

Uniformed Service: Included active duty, active duty for training, inactive duty training (such as drills), initial active duty training, and funeral honors duty performed by National Guard and reserve members, as well as the period for which a person is absent from a position of employment for the purpose of an examination for determine fitness to perform any such duty.

Vending: The act of selling or attempting to sell goods, services or materials.

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Warning: Verbal or written notice or counseling of an employee specifying required changes in work performance or on-the-job behavior and/or conduct.

Work Week: The normal work week begins at 12:00 a.m., on Sunday and ends seven (7) days (168 hours) later at 11:59 p.m. on the next Saturday. Employees working a "flex schedule" have a documented different work week.

Y-Rating: The change of a position to a different Salary Grade which results from changes in duties and responsibilities where a current employee's rate of pay is above the top of the range; see Section 4.7.4 of these policies for a more complete description.

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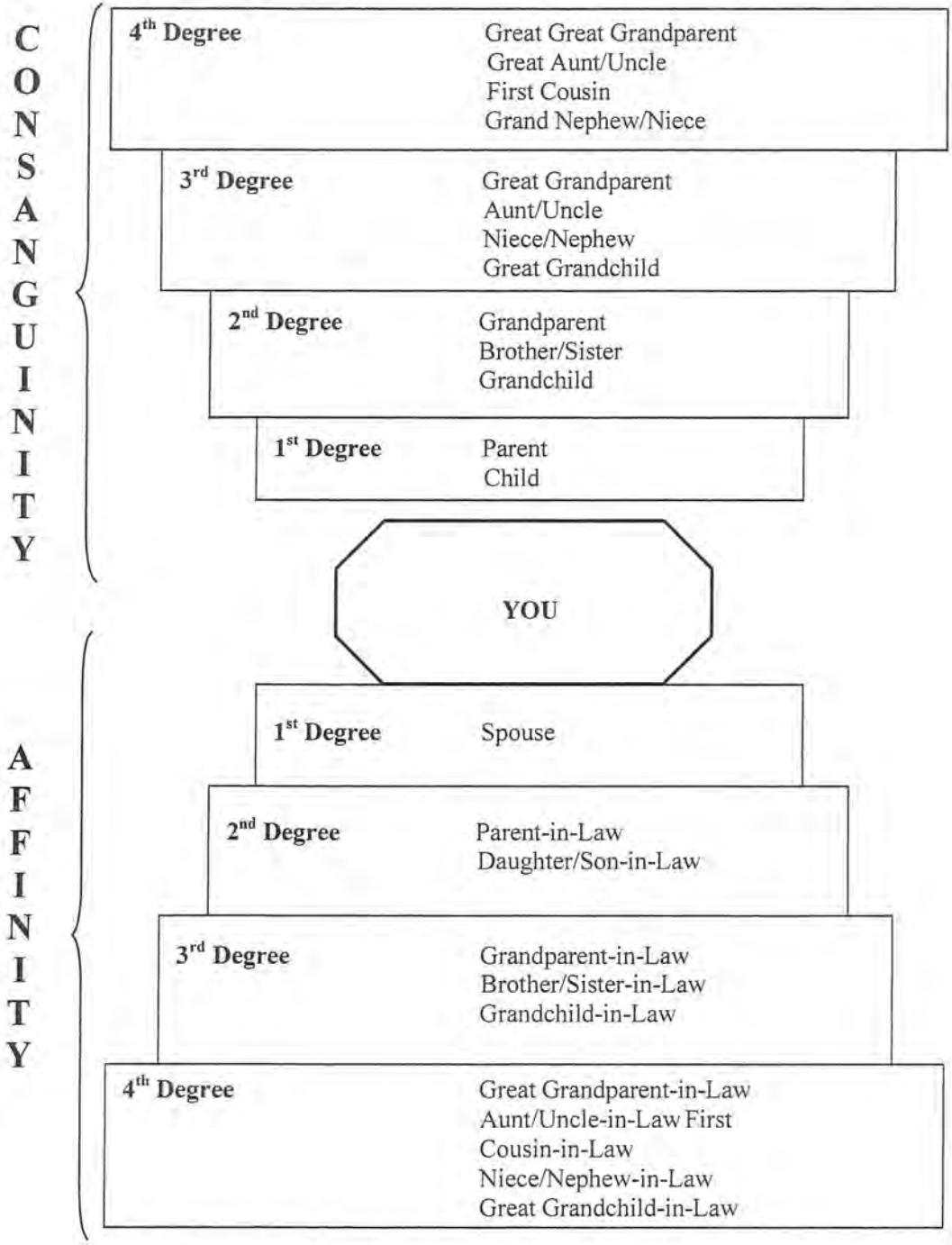
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Appendix A: Consanguinity/Affinity Chart



Note: Step relationships (step-brother, step-father, etc.) are considered to be the same as blood relationships. Registered Domestic Partners are considered the same as spouse.

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APPENDIX B: NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

This notice is provided to you in accordance with federal and state privacy laws enacted to protect your medical information. This notice describes the privacy practices of health care carriers listed below and of our Plan, our legal duties, and your rights concerning your medical information.

Health care carriers and our Plan are required to follow the privacy practices that are described in this notice while it is in effect. However, health care carriers and our Plan reserve the right to change privacy practices and the terms of this notice at any time, provided that applicable law permits such changes. If health care carriers and/or our Plan make any substantive changes to our privacy practices, we will modify this notice and send you a new notice within 60 days of the change of the health care carrier and/or our practices.

You may request a copy of this notice at any time. For more information about our privacy practices, or for additional copies of this notice; please contact the Human Resources Department.

This notice applies to the privacy practices of the health care carriers, third party administrators and our group health plan listed below:

NAME	TYPE OF COVERAGE
Saint Mary's Preferred Health Insurance Company, Inc.	MEDICAL
Saint Mary's Preferred Health Insurance Company, Inc.	PRESCRIPTION
Humana	DENTAL
VSP Vision Care	VISION
Horizon Health	EMPLOYEE ASSISTANCE PROGRAM
American Family Life Assurance Co (AFLAC)	FLEXIBLE SPENDING ACCOUNT

USES AND DISCLOSURES OF YOUR MEDICAL INFORMATION

Health care carriers, Third Party Administrators and our Plan are permitted to use or

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disclose your protected health information (PHI) for the following purposes:

Treatment Health care carriers, Third Party Administrators, and our Plan may use and disclose your protected health information in order to assist your health care provider (doctors, hospitals, pharmacies, and others) in your diagnosis and treatment.

Payment Health care carriers, Third Party Administrators, and our Plan use and disclose your protected health information to pay claims from doctors, hospitals and other providers for services delivered to you that are covered by your plan, to determine your eligibility for benefits, to coordinate benefits, to examine medical necessity, to obtain premiums, or to be reimbursed by another entity that may be responsible for payment.

Health Care Operations Health care carriers, Third Party Administrators, and our Plan use and disclose your protected health information in order to perform our plan activities, such as quality assessment activities or administrative activities, including data management or customer service. In some cases, we may use or disclose your information for underwriting purposes, determining premiums, and the detection and investigation of fraud.

OTHER PERMITTED OR REQUIRED DISCLOSURES

Health care carriers, Third Party Administrators, and our Plan may also use or disclose your protected health information in support of:

As Required By Law Health care carriers, Third Party Administrators, and our Plan must disclose protected health information about you when required to do so by law.

Plan Administration To the plan sponsor, employer or other organization that sponsors your group health plan, to permit the plan sponsor to perform plan administration functions, as described in your plan documents.

Public Health Activities Health care carriers, Third Party Administrators, and our Plan may disclose protected health information to public health agencies for reasons such as prevention or controlling disease, injury or disability.

Business Associates To persons who provide services to us and assure health care carriers, Third Party Administrators, and our Plan that they will comply with privacy regulations and our procedures on the use of protected health information.

Appendix B-2

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

Law Enforcement Health care carriers, Third Party Administrators, and our Plan may disclose protected health information under limited circumstances to a law enforcement official in response to a warrant or similar process; to identify or locate a suspect; or to provide information about the victim of a crime.

Research Under certain circumstances, health care carriers, Third Party Administrators, and our Plan may disclose protected health information about you for research purposes, provided certain measures have been taken to protect your privacy.

Special Government Functions Health care carriers, Third Party Administrators, and our Plan may disclose information as required by military authorities or to authorized federal officials for national security and intelligence activities.

Judicial and Administrative Proceedings Health care carriers, Third Party Administrators, and our Plan may disclose protected health information in response to a court or administrative order. Health care carriers, Third Party Administrators, and our Plan may also disclose protected health information about you in certain cases in response to a subpoena, discovery request or other lawful process.

Industry Regulation Health care carriers, Third Party Administrators, and our Plan may disclose you protected health information to state insurance departments, the U.S. Department of Labor and other government agencies, for activities authorized by law.

Workers' Compensation Health care carriers, Third Party Administrators, and our Plan may disclose protected health information to the extent necessary to comply with state laws for workers' compensation programs.

Coroners, Funeral Directors, Organ Donation Health care carriers, Third Party Administrators, and our Plan may disclose the protected health information of a deceased person to a coroner, medical examiner, funeral director, or organ procurement organization for certain purposes.

OTHER USES OR DISCLOSURES WITH AN AUTHORIZATION

Other uses or disclosures of your protected health information will be made only with your written authorization, unless otherwise permitted or required by law. You may revoke an authorization at any time in writing, except to the extent that we have already taken action on the information disclosed or if we are permitted by law to use the information to contest a claim or coverage under the Plan.

Appendix B-3

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

YOUR RIGHTS REGARDING YOUR PROTECTED HEALTH INFORMATION

Right To Access Your Protected Health Information You have the right to review or obtain copies of your protected health information records, with some limited exceptions. Usually the records include enrollment, billing, claims payment and case or medical management records. Your request to review and/or obtain a copy of your protected health information records must be made in writing. Health care carriers, Third Party Administrators, and/or our Plan may charge a fee for the costs of producing, copying and mailing your requested information, but we will inform you of the cost in advance.

Right To Amend Your Protected Health Information If you feel that protected health information maintained by the Plan is incorrect or incomplete, you may request that we amend the information. Your request must be made in writing and must include the reason you are seeking a change. Health care carriers, Third Party Administrators, and/or our Plan may deny your request if, for example, you ask to amend information that was not created by the Plan, as is often the case for health information in our records, or you ask to amend a record that is already accurate and complete.

If Health care carriers, Third Party Administrators, and/or our Plan deny your request to amend, you will be notified in writing. You then have the right to submit to the Health care carrier, Third Party Administrator, and/or our Plan a written statement of disagreement with our decision and the Health care carrier, Third Party Administrator, and/or our Plan have the right to rebut that statement.

Right to an Accounting of Disclosures by the Plan You have the right to request an accounting of disclosures Health care carriers, Third Party Administrators, and/or our Plan have made of your protected health information. The list will not include disclosures related to your treatment, or payment, or health care operations, or disclosures made to you or with your authorization. The list may also exclude certain other disclosures, such as for national security purposes.

Your request for an accounting of disclosures must be made in writing and must state a time period for which you want an accounting. This time period may not be longer than six years and may not include dates before April 14, 2003. Your request should indicate in what form you want the list (for example, on paper or electronically). Health care carriers, Third Party Administrators, and our Plan, may charge for providing the accounting disclosures, but we will inform you of the cost in advance.

Right To Request Restrictions on the Use and Disclosure of Your Protected Health Information You have the right to request that Health care carriers, Third

Appendix B-4

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

Party Administrators, and our Plan restrict or limit how we use or disclose your protected health information for treatment, payment or health care operations. *We may not agree to your request.* If we do agree, we will comply with your request unless the information is needed for an emergency. Your request for a restriction must be made in writing. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit how we use or disclose your information, or both; and (3) to whom you want the restrictions to apply.

Right To Receive Confidential Communications You have the right to request that Health care carriers, Third Party Administrators, and our Plan use a certain method to communicate with you about the Plan or that we send Plan information to a certain location if the communication could endanger you. Your request to receive confidential communications must be made in writing. Your request must clearly state that all or part of the communication from us could endanger you. We will accommodate all reasonable requests. Your request must specify how or where you wish to be contacted.

Right to a Paper Copy of This Notice You have a right at any time to request a paper copy of this Notice, even if you had previously agreed to receive an electronic copy.

Contact Information for Exercising Your Rights You may exercise any of the rights described above by contacting our privacy office. See the end of this Notice for the contact information.

If you receive this notice on our web site or by electronic mail (e-mail), you are entitled to receive this notice in written form. Please contact IVGID Human Resources Department to obtain a copy of this notice in written form.

HEALTH INFORMATION SECURITY

Health care carriers, Third Party Administrators, and our Plan require our employees and business associates to follow the Company's security policies and procedures that limit access to health information about members to those employees and or entities that need it to perform their job responsibilities. In addition, we maintain physical, administrative and technical security measures to safeguard your protected health information.

COMPLAINTS

If you believe that your privacy rights have been violated, you may file a complaint with

Appendix B-5

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Adopted and Effective February 10, 2010

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PERSONNEL POLICIES

the carrier, Third Party Administrator, or our Plan as listed on page five of this notice and/or with the Secretary of the Department of Health and Human Services. All complaints to the Health care carriers, Third Party Administrators, and our Plan, must be made in writing and sent to the address listed below.

CARRIER/TPA/PLAN	CONTACT INFORMATION
Saint Mary's Preferred Health Insurance Company, Inc.	Lois J. Paynter – Privacy Office, Senior Director of Operations Saint Mary's Preferred Health Insurance Company, Inc. Member Services Department 1510 Meadow Wood Lane Reno, Nevada 89502 (775) 770-6232 (775) 770-6253 www.SaintMarysHealthplans.com
Standard Insurance Company	Privacy Notice (P7E) P.O. Box 711 Portland, OR 97207-0711 (800) 521-8780
Medical Eye Services	Medical Eye Services Attn: Regulatory/Compliance Department PO Box 25209 Santa Ana, CA 92799-5209 800.877.6372 or 714.619.4660
Horizon Health EAP	1500 Waters Ridge Drive Lewisville, TX 75057 888-293-6948
American Family Life Insurance Co (AFLAC)	Flex Benefit Services 1932 Wynnton Road Columbus, GA 31999 1-800-323-5391

We support your right to protect the privacy of your medical information. We will not retaliate in any way if you choose to file a complaint with us, the Health care carriers, the Third Party Administrators listed above, or the Department of Health and Human Services.

Appendix B-6

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT PROCUREMENT CARD PROGRAM

I. POLICY

- A) The purpose of the Incline Village General Improvement District's Procurement Card Program is to establish a more efficient, cost-effective method for purchasing and paying transactions within the established usage limits. The program is designed to complement the use of the District's Purchase Orders.
- B) The Procurement Card is **NOT** intended:
1. To avoid or bypass the District's purchasing or payment procedures.
 2. To replace purchase orders issued by the District for requisitioned items.
 3. To replace travel authorization procedures.
 4. For personal use.
- C) The Finance Director approves issuance of all cards to cardholders and all credit limits. The District's Administrative Technician will issue cards upon the Finance Director's approval and maintain the original signed Cardholder Agreements. Copies may be requested from the Administrative Technician.
- D) Any change in credit limit must be supported by a request of their supervisor, and then approved by the Finance Director. Requesting a "Set-Up Form" from the Administrative Technician may do this. Once all approval levels have been received, the Administrative Technician will submit the form to the bank. The Administrative Technician will keep the revised "Set-Up Form" in the cardholder's procurement card folder.
- E) Upon termination of employment with the District or transfer to another department, the procurement card must be turned in immediately to the employee's Supervisor or to the Human Resources Manager.
- F) All purchases must be for the use and benefit of the District. **No personal purchases are allowed.**
- G) The Administrative Technician will audit procurement card activity. All receipts will be audited for accuracy and appropriate activity. Inappropriate activity will result in consequences ranging from suspension of card to disciplinary action, up to and including termination.

- H) District Supervisors, the General Manager, the Finance Director and the Accounting Office have the right to revoke a Procurement Card at any time.
- I) Splitting of charges in order to avoid exceeding cardholder's individual spending limit is prohibited.

II. ACCOUNTING POLICY AND RECONCILIATION

- A) All card purchases must be within employees established purchase limit. The Administrative Technician maintains the Procurement Card receipts in a pending file for reconciliation with the bank's monthly statement. If a receipt is missing, the employee will be contacted immediately. If a receipt is not available, the purchase details will be documented and approved by the employee's supervisor, and then forwarded to the Administrative Technician.
- B) The procurement card receipts are reviewed to ensure that goods purchased are authorized, and to ensure that no Nevada sales tax was included.
- C) After reconciliation of the individual Procurement Card with the bank statement, all purchases are entered in the database system and prepared for payment in accordance with the District's accounting policies and procedures.
- D) All procurement card payments to the bank are processed monthly to assure that they progress through the District's financial system and paid by the payment deadline set by contract with the bank.
- E) A monthly statement along with receipts will be sent to each cardholder detailing the monthly card transactions. After the cardholder and his/her supervisor have approved all purchases, the statement and receipts are returned to the accounting office. The accounting office will maintain all receipts in a Bank of America folder for archiving.

III. CARDHOLDER'S RESPONSIBILITIES

- A) The Procurement Card will be used by the approved cardholder, whose name is embossed on the card, or by another IVGID employee who has received advanced approval from the cardholder.
- B) Cardholders are responsible for the security of the procurement card and the transactions made against the card. The credit card is issued in the approved cardholder's name. The cardholder may use their card immediately upon receipt, signing for, and calling the 800 number to activate the card.

- C) The cardholder is responsible for not exceeding his/her purchase limits. If a purchase is necessary that will exceed the established limit, the employee must obtain approval from his/her Supervisor. If approved, the Supervisor will notify the Administrative Technician of this one-time exception, and the Administrative Technician will then notify the bank.
- D) The cardholder must report lost or stolen cards to the District's accounting office and to their supervisor immediately.
- E) The cardholder must surrender their Procurement Card to their Supervisor or the Human Resources Manager upon termination of employment or transfer to another department.
- F) It is the cardholder's responsibility as an agent of the District to ensure that State of Nevada sales tax is not charged. Tax exempt cards and forms are available in the accounting office, and the tax-exempt number is on the front of the procurement card.
- G) The cardholder must verify the receipt of materials ordered with the procurement card and must follow-up with the merchant to resolve any delivery problems, discrepancies, or damaged goods.
- H) The cardholder is responsible for following up with the merchant on any erroneous charges, disputed items, or returns as soon as possible. The District's accounting office should be notified as soon as possible of any procurement card credits or disputes with a merchant.
- I) within 10 days from date of purchase, coded receipts must be sent to the accounting office by the employee. The receipt must include the employee's printed name, along with his/her signature. If it is a food purchase, then the names of all persons present must be included and business purpose stated.
- J) Each Cardholder is responsible for reconciling his/her own statement. Upon receipt of statement, the Administrative Technician will send a copy of the statement and receipts to each cardholder. The cardholder will then match receipts to the statement, provide any missing codes, and provide details of purchase. The cardholder will forward the statement and receipts to his/her supervisor for approval. The cardholder or supervisor will then return all documents to the Administrative Technician.



Initial _____

PROCUREMENT CARD PROGRAM CARDHOLDER AGREEMENT

As the holder of a District's procurement card, I agree to accept responsibility for the protection and proper use of this card. I understand that the District will audit the use of the procurement card. I understand that I CANNOT use the Procurement Card for the purchase of goods not authorized by the District. I further understand and agree that I will not allow any unauthorized person(s) to use my procurement card.

I further understand that improper or fraudulent use of my procurement card may result in disciplinary action, up to and including termination of employment and/or personal liability. I authorize Incline Village General Improvement District (the District) to deduct from my salary or from any other monies due to me, the amount equal to the total of the improper or fraudulent amount. I acknowledge that the District may collect any amounts owed by me, even if the District no longer employs me. If the District initiates legal proceedings to recover amounts owed by me under this agreement, I agree to pay legal fees or collection costs incurred by the District in such proceedings.

I understand that the District may terminate my right to use the procurement card at any time, for any reason. I agree to return the card to the District immediately upon request or immediately upon termination of employment.

I hereby acknowledge receipt of Procurement Card #
I have read initialed pages 1 through 3, understood, and agreed to the terms stated in this document.

Date Procurement Card Received:

Print Name:

Signature:

Cc: personnel file

MEMORANDUM

TO: Audit Committee

THROUGH: Matthew Dent
Audit Committee Chairman

FROM: Paul Navazio
Director of Finance

SUBJECT: Staff Update on Chart of Accounts

DATE: January 22, 2021

I. RECOMMENDATION

Receive a staff presentation and provide feedback on approach to updating the District's Chart of Accounts to facilitate internal and external financial reporting as well as improve internal controls and enhance transparency.

II. BACKGROUND

The District's current chart of accounts has evolved over time, and has been periodically updated through changes in the District's organizational structure, implementation of new financial systems as well as changes in the approach to financial reporting. Modifications have also been made over time in response to specific requests related to transparency and ease of understanding and interpreting the District's standard and ad hoc financial reports.

With the pending transition from Special Revenue back to Enterprise Fund accounting for our Community Services and Beach Funds, as well as the planned implementation of a new payroll, human resources and financial system (Tyler Munis), the District has the opportunity to evaluate its current chart of accounts to better support the budgeting, accounting and reporting of District operations, activities and capital projects.

Management anticipates updating the District's fund structure, Department and Division structure, program and activity codes as well as selected account codes over the next 3-18 months. The process of review and update of the Chart of Accounts will be informed by input from venue and program managers as well as from external stakeholders, with the goal of ensuring that the districts chart of accounts supports budgeting, accounting, program management and internal and external financial reporting needs and objectives.

This agenda item is intended to provide the Audit Committee with an overview of the District's existing Chart of Accounts, as well as initiated dialogue with the Committee specific to options for modifying the District's fund structure as we transition back to Enterprise Fund accounting for Community Services and Beach funds.

Attachments:

- 1) Existing Chart of Accounts
 - a. Active Funds
 - b. Activity Codes
 - c. Personnel Account Codes
 - d. Account Matrix - Fund/Dept./Division
- 2) Excerpt from 1/20/21 Board Budget Workshop – Fund Structure



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

FY2021/22 Budget Workshop

**Board of Trustees
January 20, 2021**



Related Topics

- Fund Accounting – Enterprise vs Special Revenue
 - Fund Structure - Resolution No. 1838
 - Resolution of Intent – Resolution No.

RESOLUTION NO. 1838

A RESOLUTION TO CREATE GOVERNMENTAL FUND TYPE: SPECIAL REVENUE, CAPITAL PROJECTS AND DEBTS SERVICE FUNDS FOR THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FOR COMMUNITY SERVICES AND BEACH FUNDS AS REQUIRED BY NEVADA ADMINISTRATIVE CODE 354.241, EFFECTIVE AS OF JULY 1, 2015

Fund Name	Purpose	Source of Revenues	Short-term Expenditures	Long-term Expenditures	Plan for Fund Balance	Adequacy of Fund Balance
Community Services – Special Revenue	Recreational activities conducted by the District under NRS 318, other than Beach locations	User fees, stand by charges, rents, grant, investment earnings and other income	Operating expenditures to provide recreational activities	Transfers out to capital purchases and debt service to support recreational activities	Meet the minimum necessary to maintain District recreational activities	Consider the District's Board Policy on Appropriate Level of Fund Balance
Community Services – Capital Expenditure	Capital expenditures related to recreational activities conducted by the District under NRS 318, other than Beach locations	Sales of coverage and capital assets and transfers from the Community Services Special Revenue Fund	Operating expenditures related to Community Services capital expenditures	Capital purchases to support Community Services recreational activities	Meet the minimum necessary to execute Community Services capital purchases	Consider the District's Board Policy on Appropriate Level of Fund Balance
Community Services – Debt Service	Debt service expenditures related to recreational activities conducted by the District under NRS 318, other than Beach locations	Transfer from the Community Services Special Revenue Fund	Operating expenditures related to Community Services debt service expenditures	Debt service expenditures to support Community Services recreational activities	Meet the minimum necessary to execute Community Services debt service expenditures	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Special Revenue	Recreational activities conducted by the District under NRS 318 for Beach locations	User fees, stand by charges, rents, grant, investment earnings and other income	Operating expenditures to provide Beach recreational activities	Transfers out to capital purchases and debt service to support Beach recreational activities	Meet the minimum necessary to maintain District Beach recreational activities	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Capital Expenditure	Capital expenditures related to recreational activities conducted by the District under NRS 318 for Beach locations	Sales of coverage and capital assets and transfers from the Beach Special Revenue Fund	Operating expenditures related to Beach capital expenditures	Capital purchases to support Beach recreational activities	Meet the minimum necessary to execute Beach capital purchases	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Debt Service	Debt service expenditures related to recreational activities conducted by the District under NRS 318 for Beach locations	Transfer from the Beach Special Revenue Fund	Operating expenditures related to Beach debt service expenditures	Debt service expenditures to support Beach recreational activities	Meet the minimum necessary to execute Beach debt service expenditures	Consider the District's Board Policy on Appropriate Level of Fund Balance



RESOLUTION NO. 1880

A RESOLUTION OF INTENT TO INITIATE PROCESS TO TRANSITION THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FROM USE OF GOVERNMENTAL FUND TYPE - SPECIAL REVENUE FUNDS TO USE OF PROPRIETARY TYPE - ENTERPRISE FUNDS FOR FOR THE DISTRICT'S COMMUNITY SERVICES AND BEACH FUNDS BEGINNING WITH THE FISCAL YEAR 2021/2022 BUDGET

1. Incline Village General Improvement District expresses its intent to transition to the use of Proprietary Fund Type – Enterprise Funds for its Community Services and Beach Fund beginning in Fiscal Year 2021/22.
2. Incline Village General Improvement District has determined that use of Proprietary Fund Type – Enterprise Funds for Community Services and Beach is consistent with the desired intent of the business-like operations of the District.



Next Steps

- Fund Structure for Transition To Enterprise Fund Accounting
 - Maintain separate individual funds for each Community Services venue and Beaches (as prior to 2015/16)

OR

- Consolidate Community Services into Single Enterprise Fund
- Re-establish Beach Fund as an Enterprise Fund

OR

- Establish separate Enterprise Funds for Community Services Fund and Beach Fund
 - With separate capital fund and debt fund for transparency (roll into main enterprise fund for external reporting)
 - Per Moss Adams report recommendation



History of District Fund Structure

	-----> FY 2014-15			FY2015-16<--> FY2018-19			FY 2019-20			FY2020-21			-----> FY 2021-22		
	Operating	Capital	Debt	Operating	Capital	Debt	Operating	Capital	Debt	Operating	Capital	Debt	Operating	Capital	Debt
100 General Fund	X	X	x	X	X	X	X	X	X	X	X	X	X	X	X
200 Utility Fund	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<i>Community Services</i>													X	X	X
320 Golf Fund	X	X	X	X			X	X	X	X			?		
330 Facilities Fund	X	X	X	X			X	X	X	X			?		
340 Ski Fund	X	X	X	X			X	X	X	X			?		
350 Recreation Fund	X	X	X	X			X	X	X	X			?		
360 Comm Svc Admin Fund	X	X	X	X			X	X	X	X			?		
370 Parks Fund	X	X	X	X			X	X	X	X			?		
380 Tennis Fund	X	X	X	X			X	X	X	X			?		
<i>Beach</i>															
390 Beach Fund - Capital	X	X	X	X			X	X	X	X			X	X	X
<i>Capital Special Revenue Funds</i>															
520 Golf Fund - Capital					X						X				
530 Facilities Fund - Capital					X						X				
540 Ski Fund - Capital					X						X				
550 Recreation Fund - Capital					X						X				
560 Comm Svc Admin Fund - Capital					X						X				
570 Parks Fund - Capital					X						X				
580 Tennis Fund - Capital					X						X				
590 Beach Fund - Capital					X						X				
<i>Debt Special Revenue Funds</i>															
620 Golf Fund - Debt															X
630 Facilities Fund - Debt															X
640 Ski Fund - Debt															X
650 Recreation Fund - Debt															X
660 Comm Svc Admin Fund - Debt															X
670 Parks Fund - Debt															X
680 Tennis Fund - Debt															X
690 Beach Fund - Debt															X



Potential Fund Structures – FY2021/22

	Pre 2015/16 Fund Structure			Consolidate Community Services Fund(s)			Consolidate Community Services Fund(s)				
	Operating	Capital	Debt	Operating	Capital	Debt	Operating	Capital	Debt		
100 General Fund	X	X	x	General Fund	X	X	x	General Fund	X	X	x
200 Utility Fund	X	X	X	Utility Fund	X	X	X	Utility Fund	X	X	X
Community Services				Community Services	X	X	X	Community Services	X		
320 Golf Fund	X	X	X	<i>Dept 32 - Golf</i>				<i>CS Capital</i>		X	
330 Facilities Fund	X	X	X	<i>Dept 33 - Facilities</i>				<i>CS Debt</i>			X
340 Ski Fund	X	X	X	<i>Dept 34 Ski</i>							
350 Recreation Fund	X	X	X	<i>Dept 35 Recreation</i>				Beach	X		
360 Comm Svc Admin Fund	X	X	X	<i>Dept 36 Comm Svc Admin</i>				<i>Beach Capital</i>		X	
370 Parks Fund	X	X	X	<i>Dept 37 Parks</i>				<i>Beach Debt</i>			X
380 Tennis Fund	X	X	X	<i>Dept 38 Tennis</i>							
Beach				Beach	X	X	X				
390 Beach Fund	X	X	X								

	Pre 2015/16 Fund Structure		
	Operating	Capital	Debt
100 General Fund	X	X	x
200 Utility Fund	X	X	X
Community Services			
320 Golf Fund	X		
330 Facilities Fund	X		
340 Ski Fund	X		
350 Recreation Fund	X		
360 Comm Svc Admin Fund	X		
370 Parks Fund	X		
380 Tennis Fund	X		
Beach			
390 Beach Fund	X		
<i>Community Services Capital Fund</i>		X	
<i>Community Services Debt Fund</i>			X
<i>Beach Capital Fund</i>		X	
<i>Beach Debt Fund</i>			X

FUNDS	
#	Fund Name

100 General Fund

200 Utility Fund

Community Services

320 Golf Fund

330 Facilities Fund

340 Ski Fund

350 Recreation Fund

360 Comm Svc Admin Fund

370 Parks Fund

380 Tennis Fund

Beach

390 Beach Fund

Internal Services

410 Fleet

420 Engineering

430 Building Services

450 Workshers' Compensation

Governmental Activities

925 Cash Pool Account

950 Payroll Clearing

975 Non-Depreciable Fixed Assets

980 Long-Term Debt

990 Capital Assets

Capital Special Revenue Funds

520 Golf Fund - Capital

530 Facilities Fund - Capital

540 Ski Fund - Capital

550 Recreation Fund - Capital

560 Comm Svc Admin Fund - Capital

570 Parks Fund - Capital

580 Tennis Fund - Capital

590 Beach Fund - Capital

Debt Special Revenue Funds

620 Golf Fund - Debt

630 Facilities Fund - Debt

640 Ski Fund - Debt

650 Recreation Fund - Debt

660 Comm Svc Admin Fund - Debt

670 Parks Fund - Debt

680 Tennis Fund - Debt

690 Beach Fund - Debt

Cheat Sheet - All Activity Centers

Governmental	
Activity Ctr	Fund 100 General Government
100-00-000	Unclassified
100-10-010	Revenue Collection
100-10-990	General Administration
100-11-100	General Manager
100-11-110	Trustees
100-12-120	Accounting
100-12-130	Information Services
100-12-140	Risk Management
100-13-150	Human Resources
100-13-160	Health & Wellness
100-14-170	Community Relations
Utility	
Fund 200 Utility	
200-22-200	Water Service Revenue
200-22-210	Water Supply
200-22-220	Water Pumping
200-22-230	Water Treatment
200-22-240	Water Transmission
200-22-870	Water Compliance Services
200-22-970	Water Shared Expenses
200-22-990	Water Administration & Overhead
200-25-200	Sewer Service Revenue
200-25-210	Sewer Supply
200-25-220	Sewer Pumping
200-25-230	Sewer Treatment
200-25-240	Sewer Transmission
200-25-970	Sewer Shared Expenses
200-25-990	Sewer Administration & Overhead
200-27-380	Solid Waste
200-28-990	TWSA Administration & Overhead
Internal Service	
Fund 410 Fleet	
410-51-900	Equipment Maintenance
410-51-910	Golf Equipment Maintenance
410-51-920	Ski Equipment Maintenance
410-51-990	Administration & Overhead
Fund 420 Engineering	
420-52-930	Engineering Operations
Fund 430 Fleet	
430-53-940	Building Maintenance
430-54-950	Sign Shop
Fund 450 Workers Comp	
450-55-990	Administration & Overhead

Community Services			
Activity Ctr	Fund 320 Golf	Activity Ctr	Fund 350 Recreation
320-31-400	Championship Course Services	350-46-810	Youth & Family Programs
320-31-410	Championship Course Operations	350-46-811	Youth & Family Sports
320-31-420	Championship Course Maintenance	350-46-820	Seniors
320-31-430	Championship Driving Range	350-46-830	Adult Programs
320-31-440	Championship Golf Carts	350-46-831	Adult Sports
320-31-450	Championship Equipment Repair	350-48-840	Rec Center Operations
320-31-460	Championship Pro Shop	350-48-850	Aquatics
320-31-490	Championship Brushing Crew	350-48-860	Fitness
320-31-530	Championship Food & Beverage	350-48-890	Kid's Zone
320-31-960	Hyatt Shop	350-48-980	Marketing
320-31-970	Championship Shared Expenses	350-48-990	Administration & Overhead
320-31-980	Championship Marketing	Fund 360 Other Recreation	
320-31-990	Championship Administration & Overhead	360-49-990	Administration & Overhead
320-32-400	Mountain Course Services	Fund 370 Parks	
320-32-410	Mountain Course Operations	370-43-780 Parks Services	
320-32-420	Mountain Course Maintenance	Fund 380 Tennis	
320-32-440	Mountain Golf Carts	380-45-880 Tennis Services	
320-32-450	Mountain Equipment Repair	Beach	
320-32-460	Mountain Pro Shop	Fund 390 Beach	
320-32-530	Mountain Food & Beverage	390-39-710	Beach Hosts
320-32-980	Mountain Marketing	390-39-730	I.Beach Food
320-32-990	Mountain Administration & Overhead	390-39-740	BC Beach Food
Fund 330 Facilities		390-39-750	BC Beach Bar
330-33-500	Chateau	390-39-760	I.Beach Bar
330-33-510	Aspen Grove	390-39-770	Hermit Beach
Fund 340 Diamond Peak Ski		390-39-780	Parks Services
340-34-450	Equipment Repair	390-39-850	Aquatics
340-34-460	Brushing Crew	390-39-990	Administration & Overhead
340-34-530	Food & Beverage	New Account Structure	
340-34-600	Skiing Services	340-34-450-7415	
340-34-610	Ticket Office	Old Account Structure	
340-34-620	Lift Operations	340.34.45.7.7415	
340-34-630	Slope Maintenance		
340-34-640	Mountain Operations		
340-34-650	Ski Patrol		
340-34-660	Ski & Snow Board School		
340-34-670	Child Ski Center		
340-34-680	Rental & Repair shop		
340-34-690	Property, Parking & Transportation		
340-34-960	Hyatt Shop		
340-34-980	Marketing		
340-34-990	Administration & Overhead		
340-36-530	Food & Beverage Snowflake		

FUND UTILITY INTERNAL SERVICES
CHEAT SHEET - ACCOUNT CODES

Activity Center	
200-22-200	Service Revenue
200-22-210	Supply
200-22-220	Pumping
200-22-230	Treatment
200-22-240	Transmission
200-22-870	Compliance Services
200-22-970	Shared Expenses
200-22-990	Administration & Overhead
200-25-200	Service Revenue
200-25-210	Supply
200-25-220	Pumping
200-25-230	Treatment
200-25-240	
200-25-970	Shared Expenses
200-25-990	Administration & Overhead
200-27-380	Solid Waste
200-28-990	Administration & Overhead
410-51-900	Equipment Maintenance
410-51-910	Golf Equipment Maintenance
410-51-920	Ski Equipment Maintenance
410-51-990	Administration & Overhead
420-52-930	Engineering Operations
430-53-940	Building Maintenance
430-54-950	Sign Shop

Revenue Objects	
4020	water
4021	water base
4022	water excess consumption
4023	Tier 1
4024	Tier 2
4026	Inspection/Plan Fees
4027	Fire Protection
4028	Other Water
4029	Water Connection
4032	Capital Improvement Retro
4033	Capital Improvement Mnthly
4036	Back Flow Tests
4038	Misc. - Water Rights
4039	Administrative Fees
4040	Sewer
4041	Sewer Base
4042	Sewer Excess Consumption
4046	Inspection/Plan Fees
4048	Other Sewer
4049	Sewer Connection
4050	Effluent Disposal Sales
4052	Capital Improvement Retro
4053	Capital Improvement Monthly
4060	Trash & Recycling
4061	Recycled Material Sales
4070	Defensible Space Charges
4075	Work Order Charges Labor
4076	Work Order Chgs Eq & Materials
4080	Snow Removal Fees
4085	Hunting Fees
4090	Franchise Fee
4100	Interfund Revenue Transfers

Expense Objects	
7010	Advertising - Paid
7020	Advertising - Trade
7130	Charity Discounts
7160	Customer Discounts
7170	Empowerment Service Discounts
7180	Event Prizes Issued
7210	Community Relations
7300	Communications & computer small equipment
7310	Computer License & Fees
7320	Computer Supplies
7330	Contractual Services
7335	Discounts Earned
7340	Dues & Subscriptions
7345	Employee Assistance Program
7350	Employee Recruitment & Retention
7405	Office Supplies
7415	Operating
7420	Fuel
7425	Chemical
7428	Lab
7430	Uniforms
7433	Safety
7435	Small Equipment
7440	Tools
7450	Permits & Fees
7455	Over & (Short)
7460	Postage
7470	Printing & Publishing
7475	Program Supplies
7480	Rental & Lease
7490	Repair Parts
7505	Repairs & Maintenance
7510	R&M General
7515	R&M Preventative
7520	R&M Corrective
7525	Snow Removal
7530	Janitorial
7540	FLEET Maintenance Services
7550	BLDGS Maintenance Services
7560	Defensible Space Costs
7605	Security
7650	Small Power Equipment
7670	Suspended Items
7680	Training & Education
7685	Travel & Conferences
7690	Vehicle License & Registration

Expense Objects	
7695	Work Comp claims
7705	Insurance
7710	General Liability Insurance
7715	Casualty
7720	Work Comp Excess Liability
7725	Excess Liability Coverage
7810	Electricity
7815	Heating
7820	Water & Sewer
7825	Trash
7830	Internet
7835	Cable TV
7840	Telephone
7907	Parts Purchased for Inventory
7920	Food
7924	Beer
7928	Wine
7932	Liquor
7936	Prepackaged
7940	Merchandise for resale
7945	Freight on Inventory Purchases
7950	Personal Services Contracts
8120	Capital Improvements

New Account Structure
340-34-450-7415

Old Account Structure
340.34.45.7.7415

FUND 320 GOLF
CHEAT SHEET - ACCOUNT CODES

Fund 330 Facilities	
330-33-500	Chateau
330-33-510	Aspen Grove
Revenue Objects	
4200	Passes
4205	Admissions & Fees
4210	Program Registration
4215	Rental Income
4220	Concessions
4225	Sponsorships
4240	Parcel Owner Allowances
4250	Inter-District Program Allowances
4260	Guest Allowances
4280	Employee Sales Allowances
4285	Promotional Allowances
4290	Yield Management Allowances
4295	Punch Card Payment
4405	Merchandise Sales
4409	Allocated to others
4410	Personal Services
4411	Personal Services Contract
4415	Repairs for customers
4417	Service & User Fees
4420	Food Sales
4424	Beer Sales
4428	Wine Sales
4432	Liquor Sales

New Account Structure

340-34-450-7415

Old Account Structure

340.34.45.7.7415

Expense Objects	
7010	Advertising - Paid
7020	Advertising - Trade
7130	Charity Discounts
7160	Customer Discounts
7170	Empowerment Service Discounts
7200	Banking Fees & Processing
7210	Community Relations
7300	Communications & computer small equipment
7310	Computer License & Fees
7320	Computer Supplies
7330	Contractual Services
7335	Discounts Earned
7340	Dues & Subscriptions
7345	Employee Assistance Program
7350	Employee Recruitment & Retention
7405	Office Supplies
7415	Operating
7420	Fuel
7425	Chemical
7428	Lab
7430	Uniforms
7433	Safety
7435	Small Equipment
7440	Tools
7450	Permits & Fees
7455	Over & (Short)
7460	Postage
7470	Printing & Publishing
7475	Program Supplies
7480	Rental & Lease
7490	Repair Parts
7505	Repairs & Maintenance
7510	R&M General
7515	R&M Preventative
7520	R&M Corrective
7525	Snow Removal

Expense Objects	
7530	Janitorial
7540	FLEET Maintenance Services
7550	BLDGS Maintenance Services
7560	Defensible Space Costs
7605	Security
7650	Small Power Equipment
7680	Training & Education
7685	Travel & Conferences
7690	Vehicle License & Registration
7695	Work Comp claims
7705	Insurance
7710	General Liability Insurance
7715	Casualty
7720	Work Comp Excess Liability
7725	Excess Liability Coverage
7810	Electricity
7815	Heating
7820	Water & Sewer
7825	Trash
7830	Internet
7835	Cable TV
7840	Telephone
7905	Cost of Goods Sold Header DNU
7907	Parts Purchased for Inventory
7920	Food
7924	Beer
7928	Wine
7932	Liquor
7936	Prepackaged
7940	Merchandise for resale
7945	Freight on Inventory Purchases
7950	Personal Services Contracts
8120	Capital Improvements

FUND 320 GOLF
CHEAT SHEET - ACCOUNT CODES

Activity Center	
320-31-400	Championship Course Services
320-31-410	Championship Course Operations
320-31-420	Championship Course Maintenance
320-31-430	Championship Driving Range
320-31-440	Championship Golf Carts
320-31-450	Championship Equipment Repair
320-31-460	Championship Pro Shop
320-31-490	Championship Brushing Crew
320-31-530	Championship Food & Beverage
320-31-960	Hyatt Shop
320-31-970	Championship Shared Expenses
320-31-980	Championship Marketing
320-31-990	Championship Administration & Overhead
320-32-400	Mountain Course Services
320-32-410	Mountain Course Operations
320-32-420	Mountain Course Maintenance
320-32-440	Mountain Golf Carts
320-32-450	Mountain Equipment Repair
320-32-460	Mountain Pro Shop
320-32-530	Mountain Food & Beverage
320-32-980	Mountain Marketing
320-32-990	Mountain Administration & Overhead

Revenue Objects	
4200	Passes
4205	Admissions & Fees
4210	Program Registration
4215	Rental Income
4220	Concessions
4225	Sponsorships
4240	Parcel Owner Allowances
4250	Inter-District Program Allowances
4260	Guest Allowances
4280	Employee Sales Allowances
4285	Promotional Allowances
4290	Yield Management Allowances
4295	Punch Card Payment
4405	Merchandise Sales
4409	Allocated to others
4410	Personal Services
4411	Personal Services Contract
4415	Repairs for customers
4417	Service & User Fees
4420	Food Sales
4424	Beer Sales
4428	Wine Sales
4432	Liquor Sales

Expense Objects	
7010	Advertising - Paid
7020	Advertising - Trade
7130	Charity Discounts
7160	Customer Discounts
7170	Empowerment Service Discounts
7180	Event Prizes Issued
7200	Banking Fees & Processing
7210	Community Relations
7300	Communications & computer small equipment
7310	Computer License & Fees
7320	Computer Supplies
7330	Contractual Services
7335	Discounts Earned
7340	Dues & Subscriptions
7345	Employee Assistance Program
7350	Employee Recruitment & Retention
7405	Office Supplies
7415	Operating
7420	Fuel
7425	Chemical
7428	Lab
7430	Uniforms
7433	Safety
7435	Small Equipment
7440	Tools
7450	Permits & Fees
7455	Over & (Short)
7460	Postage
7470	Printing & Publishing
7475	Program Supplies
7480	Rental & Lease
7490	Repair Parts
7505	Repairs & Maintenance
7510	R&M General
7515	R&M Preventative
7520	R&M Corrective
7525	Snow Removal

Expense Objects	
7530	Janitorial
7540	FLEET Maintenance Services
7550	BLDGS Maintenance Services
7560	Defensible Space Costs
7605	Security
7650	Small Power Equipment
7680	Training & Education
7685	Travel & Conferences
7690	Vehicle License & Registration
7695	Work Comp claims
7705	Insurance
7710	General Liability Insurance
7715	Casualty
7720	Work Comp Excess Liability
7725	Excess Liability Coverage
7810	Electricity
7815	Heating
7820	Water & Sewer
7825	Trash
7830	Internet
7835	Cable TV
7840	Telephone
7905	Cost of Goods Sold Header DNU
7907	Parts Purchased for Inventory
7920	Food
7924	Beer
7928	Wine
7932	Liquor
7936	Prepackaged
7940	Merchandise for resale
7945	Freight on Inventory Purchases
7950	Personal Services Contracts
8120	Capital Improvements

New Account Structure
340.34.450.7415

Old Account Structure
340.34.45.7.7415

FUND 340 DIAMOND PEAK SKI

CHEAT SHEET - ACCOUNT CODES

Fund-Activity Center	
340-34-450	Equipment Repair
340-34-530	Food & Beverage
340-34-600	Skiing Services
340-34-610	Ticket Office
340-34-620	Lift Operations
340-34-630	Slope Maintenance
340-34-640	Mountain Operations
340-34-650	Ski Patrol
340-34-660	Ski & Snow Board School
340-34-670	Child Ski Center
340-34-680	Rental & Repair shop
340-34-690	Property, Parking & Transportation
340-34-960	Hyatt Shop
340-34-980	Marketing
340-34-990	Administration & Overhead
340-36-530	Food & Beverage

Revenue Objects	
4200	Passes
4205	Admissions & Fees
4210	Program Registration
4215	Rental Income
4220	Concessions
4225	Sponsorships
4240	Parcel Owner Allowances
4250	Inter-District Program Allowances
4260	Guest Allowances
4280	Employee Sales Allowances
4285	Promotional Allowances
4287	COSTCO Allowance
4290	Yield Management Allowances
4295	Punch Card Allowance
4405	Merchandise Sales
4409	Allocated to others
4410	Personal Services
4411	Personal Services Contract
4415	Repairs for customers
4417	Service & User Fees
4420	Food Sales
4424	Beer Sales
4428	Wine Sales
4432	Liquor Sales
4436	Prepackaged

Expense Objects	
7010	Advertising - Paid
7020	Advertising - Trade
7120	Employee Discounts
7130	Charity Discounts
7160	Customer Discounts
7170	Empowerment Service Discounts
7200	Banking Fees & Processing
7210	Community Relations
7300	Communications & computer small equipment
7310	Computer License & Fees
7320	Computer Supplies
7330	Contractual Services
7335	Discounts Earned
7340	Dues & Subscriptions
7345	Employee Assistance Program
7350	Employee Recruitment & Retention
7405	Office Supplies
7415	Operating
7420	Fuel
7425	Chemical
7428	Lab
7430	Uniforms
7433	Safety
7435	Small Equipment
7440	Tools
7450	Permits & Fees
7455	Over & (Short)
7460	Postage
7470	Printing & Publishing
7475	Program Supplies
7480	Rental & Lease
7490	Repair Parts
7505	Repairs & Maintenance
7510	R&M General
7515	R&M Preventative
7520	R&M Corrective
7525	Snow Removal

Expense Objects	
7530	Janitorial
7540	FLEET Maintenance Services
7550	BLDGS Maintenance Services
7560	Defensible Space Costs
7605	Security
7650	Small Power Equipment
7680	Training & Education
7685	Travel & Conferences
7690	Vehicle License & Registration
7695	Work Comp claims
7705	Insurance
7710	General Liability Insurance
7715	Casualty
7720	Work Comp Excess Liability
7725	Excess Liability Coverage
7810	Electricity
7815	Heating
7820	Water & Sewer
7825	Trash
7830	Internet
7835	Cable TV
7840	Telephone
7905	Cost of Goods Sold Header DNU
7907	Parts Purchased for Inventory
7920	Food
7924	Beer
7928	Wine
7932	Liquor
7936	Prepackaged
7940	Merchandise for resale
7945	Freight on Inventory Purchases
7950	Personal Services Contracts
8120	Capital Improvements

New Account Structure

340-34-450-7415

Old Account Structure

340.34.45.7.7415

FUND 350, 360, 370, 380 390
CHEAT SHEET - ACCOUNT CODES

Fund 350 Recreation	
350-46-810	Youth & Family Programs
350-46-811	Youth & Family Sports
350-46-820	Seniors
350-46-830	Adult Programs
350-46-831	Adult Sports
350-48-840	Rec Center Operations
350-48-850	Aquatics
350-48-860	Fitness
350-48-890	Kid's Zone
350-48-980	Marketing
350-48-990	Administration & Overhead

Fund 360 Other Recreation	
360-49-990	Administration & Overhead

Fund 370 Parks	
370-43-780	Parks Services

Fund 380 Tennis	
380-45-880	Tennis Services

Fund 390 Beach	
390-39-710	Beach Hosts
390-39-730	I.Beach Food
390-39-740	BC Beach Food
390-39-750	BC Beach Bar
390-39-760	I.Beach Bar
390-39-770	Hermit Beach
390-39-780	Parks Services
390-39-850	Aquatics
390-39-990	Administration & Overhead

Revenue Objects	
4200	Passes
4205	Admissions & Fees
4210	Program Registration
4215	Rental Income
4220	Concessions
4225	Sponsorships
4240	Parcel Owner Allowances
4250	Inter-District Program Allowances
4260	Guest Allowances
4280	Employee Sales Allowances
4285	Promotional Allowances
4287	COSTCO Allowance
4290	Yield Management Allowances
4295	Punch Card Payments
4405	Merchandise Sales
4409	Allocated to others
4410	Personal Services
4411	Personal Services Contract
4415	Repairs for customers
4417	Service & User Fees
4420	Food Sales
4424	Beer Sales
4428	Wine Sales
4432	Liquor Sales

New Account Structure
340-34-450-7415

Old Account Structure
340.34.45.7.7415

Expense Objects	
7010	Advertising - Paid
7020	Advertising - Trade
7130	Charity Discounts
7160	Customer Service Discounts
7170	Empowerment Service Discounts
7200	Banking Fees & Processing
7300	Communications & computer small equipment
7310	Computer License & Fees
7320	Computer Supplies
7330	Contractual Services
7335	Discounts Earned
7340	Dues & Subscriptions
7345	Employee Assistance Program
7350	Employee Recruitment & Retention
7405	Office Supplies
7415	Operating
7420	Fuel
7425	Chemical
7428	Lab
7430	Uniforms
7433	Safety
7435	Small Equipment
7440	Tools
7450	Permits & Fees
7455	Over & (Short)
7460	Postage
7470	Printing & Publishing
7475	Program Supplies
7480	Rental & Lease
7490	Repair Parts
7505	Repairs & Maintenance
7510	R&M General
7515	R&M Preventative
7520	R&M Corrective
7525	Snow Removal

Expense Objects	
7530	Janitorial
7540	FLEET Maintenance Services
7550	BLDGS Maintenance Services
7560	Defensible Space Costs
7605	Security
7650	Small Power Equipment
7670	Suspended Items
7680	Training & Education
7685	Travel & Conferences
7690	Vehicle License & Registration
7695	Work Comp claims
7705	Insurance
7710	General Liability Insurance
7715	Casualty
7720	Work Comp Excess Liability
7725	Excess Liability Coverage
7810	Electricity
7815	Heating
7820	Water & Sewer
7825	Trash
7830	Internet
7835	Cable TV
7840	Telephone
7907	Parts Purchased for Inventory
7920	Food
7924	Beer
7928	Wine
7932	Liquor
7936	Prepackaged
7940	Merchandise for resale
7945	Freight on Inventory Purchases
7950	Personal Services Contracts
8120	Capital Improvements

DEPT	DIVISION	General Fund 100	Utility Fund 200	COMMUNITY SERVICES							BEACH 390
				Golf 320	Facilities 330	Ski 340	Recr. 350	CS Admin. 360	Parks 370	Tennis 380	
10	General Government										
	010 Revenue Collection										
	100 General Manager										
	990 Admin / Overhead										
11	Executive										
	110 Trustees										
12	Financial Administration										
	120 Accounting										
13	Personnel Administration										
	130 Information Technology										
	140 Risk Management										
	150 Human Resources										
	160 Health and Wellness										
14	Community Relations										
	170 Comm. Relations										
22	Water										
	200 Service Revenue										
	210 Supply										
	220 Pumping										
	230 Treatment										
	240 Transmission										
	870 Compliance										
	970 PW Shared										
	990 Admin / Overhead										
25	Sewer										
	200 Service Revenue										
	210 Supply										
	220 Pumping										
	230 Treatment										
	240 Transmission										
	870 Compliance										
	970 Shared Expenses										
	990 Admin / Overhead										
27	Solid Waste										
	380 Solid Waste										
28	TWSA										
	990 Admin / Overhead										
31	Championship Course										
	400 Course Services										
	410 Course Operations										
	420 Course Maintenance										
	430 Driving Range										
	440 Golf Carts										
	450 Equipment Repair										
	460 Champ Pro Shop										
	520 Event F&B										
	530 F&B - Grille, Snack Bar, Bar Carts										
	960 Hyatt Shop										
	980 Marketing										
	990 Admin / Overhead										
32	Mountain Course										
	400 Course Services										
	410 Course Operations										
	420 Course Maintenance										
	430 Driving Range										
	440 Golf Carts										
	450 Equipment Repair										
34	Diamond Peak Resort										
	450 Equipment Repair										
	490 Brushing Crew										
	530 Food & Beverage										
	600 Skiing Services										
	610 Ticket Office										
	620 Lift Operations										
	630 Slope Maintenance										
	640 Mountain Operations										
	650 Ski Patrol										
	660 Ski & Snowboard School										
	670 Child Ski Center										
	680 Rental & Repair Shop										
	690 Property, Parking and Transp.										
	960 Hyatt Shop										
	980 Marketing										
	990 Admin / Overhead										
36	Snowflake Lodge										
	530 Food & Beverage										
38	Incline Beach Food and Beverages										
	530 Food & Beverage										
39	Beaches										
	530 Food & Beverage										
	710 Beach Hosts										
	730 Incline Beach Food										
	740 Burnt Cedar Beach Food										
	750 Burnt Cedar Beach Bar (Concessions)										
	760 Incline Beach Bar (Concessions)										
	770 Hermit Beach										
	780 Parks Services										
	850 Aquatics										
	990 Admin / Overhead										

Element	Description	Category	Type
5010	Regular Earnings	Expense	Wages
5012	Hourly	Expense	Wages
5013	Other Earnings	Expense	Wages
5015	Accrued Salary	Expense	Wages
5016	Accrued Hourly	Expense	Wages
5017	Accrued OT	Expense	Wages
5020	Other Earnings	Expense	Wages
5025	Vacation Earned	Expense	Wages
5028	Wages applied to CIP Project	Expense	Wages
5030	Leave	Expense	Wages
5040	Pre-tax deductions	Expense	Benefits
5050	Taxes	Expense	Benefits
5060	Non-sheltered Deductions	Expense	Benefits
5100	Retirement Fringe Ben	Expense	Benefits
5200	Medical Fringe Ben	Expense	Benefits
5250	Dental Fringe Ben	Expense	Benefits
5300	Vision Fringe Ben	Expense	Benefits
5400	Life Ins Fringe Ben	Expense	Benefits
5500	Disability Fringe Ben	Expense	Benefits
5600	Unemployment Fringe Ben	Expense	Benefits
5700	Work Comp Fringe Ben	Expense	Benefits
5995	WAGES DAILY ESTIMATE	Expense	Wages

MEMORANDUM

TO: Audit Committee

FROM: Matthew Dent
Audit Committee Chairman

SUBJECT: Review, discuss, and assess prior years auditors, items for correction, deliverables, timeline for this year's audit, and Policy 15.1.0

DATE: March 4, 2021

I. RECOMMENDATION

The Audit Committee make a recommendation for future agenda items.

II. BACKGROUND

This was a much more active Audit Committee than years past which expanded upon the typical work load and we held 13 meetings. In May 2020, the Board of Trustees updated Policy 15.1.0 paving the way for the appointment of three At-Large Members to be seated on the Audit Committee. The new members were seated in July 2020 and as we conclude our first year since the reorganization, we want to access the prior year auditors, the overall process, items for correction, deliverables, timeline for this year's audit, the engagement letter, and any suggested changes to Policy 15.1.0.



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

The Incline Village General Improvement District is committed to be proactive, informed, and providing the highest form of financial accountability to its parcel owners. Achieving this goal requires clear rules and procedures for making decisions and their impact on financial results.

The Government Finance Officers Association encourages the effective use of an audit committee in the public sector and considers this committee an integral element of public accountability and governance. The Audit Committee plays a key role with respect to the integrity of the District's financial information by ensuring those responsible for financial management (management, auditors, and the Board of Trustees) meets their respective responsibilities for internal controls compliance and financial reporting.

To be effective, an audit committee should be formally established by the Board of Trustees, be adequately funded, and properly documented.

POLICY: The Audit Committee ("Committee") is to assist the Board of Trustees fulfill its responsibilities in accordance with Nevada Revised Statutes, District Policies, Practices, Ordinances, and Resolutions by providing oversight over the District's financial reports, the systems of internal controls including the internal audit plans and reports, and the independent external auditor's assessment of financial statements.

The Committee will ensure open communication and maintain strong working relationships with the IVGID Board of Trustees, the General Manager, Director of Finance, and internal/external auditors.

The Audit Committee Charter shall be reviewed periodically with recommended changes submitted to the Board of Trustees for approval.

ORGANIZATION: The Committee shall consist of five (5) voting members. This includes two Board appointed Trustees and three Board appointed qualified At-Large Members. The Committee can be expanded to an odd number. Recommendations for expanding the number of voting members will be approved by the Committee and submitted to the Board of Trustees for approval. The Committee is to retain a financial advisor, potentially a resource from the external audit firm, to attend meetings, provide guidance and training, as needed.

Members of the Audit Committee should obtain an understanding of accounting, auditing, financial reporting, and internal control to be able, with the assistance of



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

a financial advisor, to deliberate on issues for which the Committee is responsible. Therefore, the Board of Trustees may need to budget for an outside financial advisor to assist the Committee with the independent conduct of its work. The financial advisor will be responsible for ensuring the Committee members receive training relative to internal controls, understanding of financial reports, internal audit processes, governmental regulations, and other pertinent information. The advisor should possess the following qualifications:

- A thorough understanding and experience with Generally Accepted Accounting Principles (GAAP), Government Accounting Standard Board (GASB), and financial reporting for the public sector
- Experience either preparing or auditing financial statements for similar entities
- Experience with accounting estimates and accruals
- Experience with financial internal controls
- An understanding of the function of an audit committee

Committee members shall be independent. They shall not accept any consulting, advisory, or other compensatory fee from the District. All members shall not be an affiliated person with the District.

- Annually, the Board of Trustees will appoint two Trustees to be voting members. Appointing Trustees to serve successive years increases the consistency and allows for knowledge retention. In the event a Trustee is removed or resigns, the Board of Trustees shall appoint a new member to the committee.
- At-Large Members shall be appointed by the Board of Trustees from applicants with appropriate expertise with staggering two-year terms.
 - For the first appointment, one member will serve a one-year term and the other two will serve a two-year term.
 - Each subsequent appointment will serve two-year terms.

One voting member of the Committee shall be appointed by the Committee to be the Chair. The Chair will schedule all Committee meetings and provide Committee members with a written agenda for each meeting. Committee Members may request agenda items for the Chair's consideration and approval.

The voting Committee members are limited to two 2-year terms which may be extended in the event there are no interested and qualified applicants.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

1.0 Independent auditor reports directly to the Audit Committee

The independent auditor reports directly to the Audit Committee. The Audit Committee is expected to maintain free and open communication with the independent auditor and District Staff. This communication may include periodic executive sessions with each of these parties. The independent auditor is to bring to the attention of the Committee any additional work required, beyond the scope of work contained in the engagement agreement, to fulfill their responsibilities.

2.0 Scope of Audit Committee's Authority and Responsibilities

It is the responsibility of the Committee to provide independent review and oversight of:

1. Financial reporting
2. Internal controls
3. The independent audit of financial statements

To fulfill these responsibilities, the Committee must:

- 2.1 Be independent, effectively communicate, and reinforce accountability.
- 2.2 Manage the external independent audit procurement process.
 - 2.2.1 Ascertain that the Request For Proposal (RFP) for a firm to be retained by the District for the annual financial audit is no more than five fiscal years with those directly supervising audit staff rotating at least every two years and audit engagement partners rotating at least every three years.
 - 2.2.2 Select the independent external auditor.
- 2.3 Make recommendations to the Board of Trustees and take subsequent action to engage an external auditor for the District's Comprehensive Annual Financial Report (CAFR)
 - 2.3.1 Make recommendations on the scope of work including the identification of funds to be audited.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.3.2 If deemed necessary, identify and recommend additional services to be performed.
- 2.3.3 By March 31st of each year, the Board of Trustees is to formally designate an external audit firm and inform the Nevada Department of Taxation.
- 2.3.4 When appropriate replace the independent external auditors or auditing firms doing work for the District and initiate the procurement process (2.2).
- 2.3.5 Approve the scope of work and audit plans by June of each year.
- 2.4 Facilitate the external audit process.
 - 2.4.1 Review and approve formal reports or letters to be submitted to the external auditor.
 - 2.4.2 Provide an independent forum for (external and/or internal resources) auditors to report findings or difficulties encountered during the audit.
 - 2.4.3 Review the auditors' report of findings and recommendations with management and the auditor.
 - 2.4.4 Review the CAFR in its entirety, including unaudited sections and letters.
 - 2.4.5 Follow -up on any corrective action identified.
 - 2.4.6 Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit.
 - 2.4.7 Assess the performance of the independent auditors.
- 2.5 Review the financial statements; quarterly and annually for fair and accurate reporting.
 - 2.5.1 Review any changes in accounting policy.
 - 2.5.2 Ensure accounting policies are followed.
 - 2.5.3 Review any off-balance sheet financings.
- 2.6 Review the framework of internal controls; ensuring management establishes, implements and reviews internal controls on a regular basis for functionality and effectiveness.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.6.1 Review the annual internal control audit plan(s).
- 2.6.2 Review management's annual assessment of their internal controls for prior year's audit plan.
- 2.6.3 Evaluate management's identification of fraud risks, ensure the implementation of anti-fraud measures and that management is setting the tone at the top that fraud will not be accepted in any form.
- 2.6.4 The Committee may identify a need to engage an external Internal Auditor to address a specific area of concern.
 - 2.6.4.1 The Committee will review and approve or modify Management's proposal for the scope of work and selection of the resource.
 - 2.6.4.2 Management is responsible for engaging the resource to perform the scope of work and overseeing contract deliverables.
 - 2.6.4.3 Management will have the responsibility for implementation of identified internal control changes or enhancements.
 - 2.6.4.4 Management will report the findings and resolutions to the Committee.
- 2.7 Periodically review the District's code of conduct that promotes honest and ethical conduct; full, fair, accurate, timely, and understandable disclosure in periodic reports; and compliance with applicable policies to ensure it is adequate and up-to-date.
- 2.8 To review and refine as necessary the procedures for the receipt, retention, and treatment of complaints received by the District, from the public or anonymous submissions by employees of the District, regarding accounting, internal accounting controls, auditing matters, or suspected fraud.
 - 2.8.1 Review and refine as needed the procedures for educating employees on their individual role in ensuring the District's financial integrity.
 - 2.8.2 Ensure employees of the District have an anonymous method for concerns to be submitted.
 - 2.8.3 Publicize the means for the public and employees to submit concerns to the Audit Committee.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

2.8.4 Review any submissions received, monitor the status of all submissions, ensure their timely resolution, and the document handling or disposition.

2.9 The Audit Committee is to submit an annual report to the Board of Trustees assessing the results of its fulfillment of its duties and responsibilities.

3.0 Meetings

3.1 Meetings are to be conducted in accordance with the state's Open Meeting Law NRS 241. The Board of Trustees will be emailed a copy of the meeting minutes. Meeting minutes will be posted on the District website.

3.2 The committee will hold meetings at a minimum of once per quarter. All members are expected to attend on a regular basis.

3.3 Review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader. Communicate with the submitter, if known, regarding their submitted concern.

3.4 Review all past correspondence with action outstanding. Ensure responses and/or corrective action is taken in a timely manner.

3.5 The committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

3.6 The committee Chair shall establish the agenda for meetings and provide all briefing materials to members and the public in advance.

3.7 An annual meeting is to be held with the independent external auditors, the General Manager, the Director of Finance, legal counsel and anyone else as desired by the Committee to review the audited annual financial statements including the Comprehensive Annual Financial Report (CAFR) and the auditor's letter of findings.

MEMORANDUM

TO: Audit Committee

THROUGH: Matt Dent

FROM: Clifford F. Dobler

SUBJECT: External review on the effect of leasing property to nonprofit tenants at below market rates and complying with Dillon's Rule relating the absence of specific references to Donations in NRS. Chapter 318 General Improvement Districts.

STRATEGIC

PLAN REFERENCE(S): None

DATE: 11-30-2020

I. RECOMMENDATION

That the Audit Committee makes a motion recommending to the IVGID Board of Trustees to proceed immediately with submitting a petition to be filed with the District Court in Washoe County to obtain a judicial examination and determination of the validity of the power to lease property to Non Profit organizations at below market rates as provided by NRS 43.100 and relating to Dillon's Rule.

For this motion, "property" would include ALL recreational venues and facilities.

Authority to submit a petition to District Court

NRS 43.100 Petition for judicial examination and determination of validity of power, instrument, act or project: Facts; verification.

1. In its discretion the governing body may file or cause to be filed a petition at any time in the district court in and for any county in which

the municipality is located or any act or project is undertaken, wholly or in part, praying a judicial examination and determination of the validity of any power conferred or of any instrument, act or project of the municipality, whether or not such power has been exercised, such instrument has been executed or otherwise made or such act or project has been taken.

2. Such petition shall set forth the facts whereon the validity of such power, instrument, act or project is founded and shall be verified by the Executive Officer.

(Added to NRS by 1969, 135)

II. CAUSE FOR FAIR AND REASONABLE DOUBT

Legislative findings and declaration make clear under NRS 268.001(2) that "In Nevada's jurisprudence, the Nevada Supreme Court has adopted and applied Dillon's Rule to county, city and other local governments". *Local governments* would probably include general improvement districts.

NRS provides clear evidence that Donations can be made by Counties (NRS 244.1505) and Cities (NRS 268.028). There is no statement in NRS 318 (general improvement districts) providing the expressed authority of IVGID to make Donations of any kind.

Based on NO expressed authority to make donations under NRS Chapter 318, a general improvement district DOES NOT have the expressed power to provide cash or in kind donations to nonprofit organizations and such authority can only be drawn from implied or assumed authority in other sections of NRS.

Board of Trustee Policy 132 and Resolution 1701 attempts to create an illusion that the use of "yield management" provides a fair rental value for the facilities to be used by Nonprofits. In other words, since the facility or venue is not being utilized any amount of revenue received is

fair. Since most Nonprofits plan their events far in advance of the actual event day, IVGID staff would not have any knowledge that a facility or venue would not be used on a future date. In addition, if yield management is the objective to obtain maximum revenues, then the unused facility or venue must be made to ALL seekers, not limited to Nonprofits. Such an approach to limiting the use of yield management to Nonprofits would be discriminatory.

Conclusion. The audit committee should not be required to make a decision on the validity of an opinion from IVGID legal counsel when a remedy is provided in Nevada Revised Statutes.

II. **BACKGROUND**

In April and May, 2020, two residents of Incline Village requested the Audit Committee to seek legal counsel to investigate whether IVGID has the authority to make certain questioned expenditures which could be in direct violation of Dillon's Rule which requires expressed powers from the State of Nevada to make the questioned expenditures.

On June 30, 2020, Josh Nelson, IVGID's legal counsel, provided a presentation on his review and conclusions of IVGID's compliance with Dillon's Rule relating to the questioned expenditures brought forth by citizens. In general, Mr. Nelson found that the IVGID had proper authority under Dillon's Rule, however, suggested that certain Board Policies be adopted to allow certain expenditures. Audit Committee member Schmitz asked Mr. Nelson to identify the policies that needed to be drafted or were adequate policies in existence that needed to be reviewed and Ms. Schmitz concluded the policy review might be a good next step.

On September 2, 2020 Mr. Nelson's June presentation was again reviewed by the Audit Committee. According to meeting minutes the Audit Committee purported to request that Mr. Nelson provide a written opinion on his conclusions regarding the questioned expenditures and

the opinion could then be posted on the District's website. Mr. Nelson requested that he provide his written opinion to the Audit Committee prior to the Audit Committee requesting an opinion from the Nevada Attorney General.

At large member Mr. Aaron asked Nelson if the list of staff expenditures was all inclusive and Mr. Nelson indicated it was limited to the 8 items listed in the citizens April and May correspondence .

On September 30, 2020 the agenda called for Mr. Nelson to present his written opinion which was not on Nelson's firm letter head. At large member Mr. Tullock requested the opinion be on Nelson's firm letter head. The agenda item was postponed.

On November 10, 2020, Mr. Nelson's written opinion was reviewed by the Audit Committee and a request was made for Mr. Nelson to provide the content on each and every NRS Statute and Board Policy and Practice stated in his opinion. The agenda item was limited to only acknowledging receipt of Mr. Nelson's written opinion

III. OPINION OF IVGID' LEGAL COUNSEL

In the November 10, 2020 written opinion by IVGID's Legal Counsel ANY IVGID property which is leased to a Non Profit organization at below market rates is allowed under NRS chapter 318.

The Authorities cited for leasing property were:

NRS 318.160 Acquisition and disposal of and encumbrances on property. Except as otherwise provided in NRS 318.512 to 318.5126, inclusive, the board shall have the power to acquire, dispose of and encumber real and personal property, and any interest therein, including leases, easements, and revenues derived from the operation thereof.

A LEASE IS AN ENCUMBERANCE

NRS 318.210 Implied powers. *The board shall have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted in this chapter. Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this chapter*

Creating a benefit for Non Profits by providing below market rents would be considered an "in kind donations". IVGID's Legal Counsel states: "Even if considered a "donation" it would be authorized as incidental to this express power" (leasing of property) under NRS 318-160 and `NRS 318.210 would apply as the below market rents would be 'incidental' as to the basic powers to lease property under NRS. 318.160.

Further IVGID's legal Counsel believes the power to provide below market rents can also be found by citing NRS 318.205 (2).

NRS 318.205 Bylaws. *The board shall have the power to adopt and amend bylaws, not in conflict with the Constitution and laws of the State:*

1. *For carrying on the business, objects and affairs of the board and of the district.*

2. *Regulating the use or right of use of any project or improvement.*

(Added to NRS by 1959, 465; A 1967, 1715)

The reference to NRS 318.205 may not be applicable or have any credence if expressed powers to provide donations are not stated within the Constitution and laws of the State of Nevada (NRS) and a requirement of Dillon's Rule. In other words, would a modification of the District's bylaws allow the District to provide below marker rents to private non profits, if the Bylaws would "trump" State Law detailing expressed powers required by Dillon's Rule?

III. BID RESULTS

Not required

IV. FINANCIAL IMPACT AND BUDGET

Not required

V. ALTERNATIVES

Forward the opinion of IVGID's legal counsel to the Board of Trustees without any recommendation from the Audit Committee

VI. COMMENTS

IVGID's legal counsel is not an independent party. Legal opinions by previous IVGID legal counsel have proven to be incorrect and unfortunately wasted considerable resources when subsequent opinions by outside legal firms provided opinions which were not the past experiences

VII. STRATEGIC PLAN REFERENCE(S)

None

VIII. BUSINESS IMPACT

None.

or

M E M O R A N D U M

TO: Audit Committee

THROUGH: Matt Dent

FROM: Clifford F. Dobler

SUBJECT: External review on the effect of complying with Dillon's Rule relating to employee benefits

STRATEGIC

PLAN REFERENCE(S): None

DATE: 11-30-2020

I. RECOMMENDATION

That the Audit Committee make recommendation to the IVGID Board of Trustees as follows:

A) That the Audit Committee, on behalf of the Board of Trustees, engage an outside law firm to create specific Policies and Practices which addresses the various employee benefits as outlined in the 11-30-2020 opinion by legal counsel.

B) That the Audit Committee, on behalf of the Board of Trustees, engage an outside law firm to create a specific Policy and Practice which addresses the payment of resources for meals to outside contractors.

It is the opinion of IVGID's Legal Counsel that the following Employee benefits are allowed by provisions of NRS 318.180 318.185 and 318.210 and do not violate Dillon's Rule

Employee Benefits -

Venue Cards to employees

Business Trips expense reimbursements
Birthday Parties and related gift certificates;
Celebration expenses and the use of purchase Cards
Rewards through IVGID "bucks" - Part of P.E.R.K program

It is the opinion of IVGID's Legal Council that any Contractor meals while meeting with Staff while not permissible under Dillon's Rule could be considered a business expense and should be clarified in an explicit policy.

Cited authorities

NRS 318.180 Employees: Power to hire and retain. The board shall have the power to **hire and retain** agents, employees, servants, engineers and attorneys, and any other persons necessary or desirable to effect the purposes of this chapter.

(Added to NRS by 1959, 464)

NRS 318.185 Employees: Duties and compensation. The board shall have the power to prescribe the duties of officers, agents, employees and servants, and fix their **compensation**.

(Added to NRS by 1959, 464)

NRS 318.210 Implied powers. The board shall have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted in this chapter. Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this chapter.

(Added to NRS by 1959, 465)

II. BACKGROUND

In April and May, 2020, two residents of Incline Village requested the Audit Committee to seek legal counsel to investigate whether IVGID has the authority to make certain questioned expenditures which could

be in direct violation of Dillon's Rule which requires expressed powers from the State of Nevada to make the questioned expenditures.

On June 30, 2020, Josh Nelson, IVGID's legal counsel, provided a presentation on his review and conclusions of IVGID's compliance with Dillon's Rule relating to the questioned expenditures brought forth by citizens. In general, Mr. Nelson found that the IVGID had proper authority under Dillon's Rule, however, suggested that certain Board Policies be adopted to allow certain expenditures. Audit Committee member Schmitz asked Mr. Nelson to identify the policies that needed to be drafted or were adequate policies in existence that needed to be reviewed and Ms. Schmitz concluded the policy review might be a good next step.

On September 2, 2020 Mr. Nelson's June presentation was again reviewed by the Audit Committee. According to meeting minutes the Audit Committee purported to request that Mr. Nelson provide a written opinion on his conclusions regarding the questioned expenditures and the opinion could then be posted on the District's website. Mr. Nelson requested that he provide his written opinion to the Audit Committee prior to the Audit Committee requesting an opinion from the Nevada Attorney General.

At large member Mr. Aaron asked Nelson if the list of staff expenditures was all inclusive and Mr. Nelson indicated it was limited to the 8 items listed in the citizens April and May correspondence .

On September 30, 2020 the agenda called for Mr. Nelson to present his written opinion which was not on Nelson's firm letter head. At large member Mr. Tullock requested the opinion be on Nelson's firm letter head. The agenda item was postponed.

On November 10, 2020, Mr. Nelson's written opinion was reviewed by the Audit Committee and a request was made for Mr. Nelson to provide the content on each and every NRS Statute and Board Policy and

Practice stated in his opinion. The agenda item was limited to only acknowledging receipt of Mr. Nelson's written opinion

III. BID RESULTS

Not required

IV. FINANCIAL IMPACT AND BUDGET

None

V. ALTERNATIVES

None

VI. COMMENTS

None

VII. STRATEGIC PLAN REFERENCE(S)

None

VIII. BUSINESS IMPACT

None.

or

MEMORANDUM

TO: Audit Committee

THROUGH: Matt Dent

FROM: Clifford F. Dobler

SUBJECT: Can "Community Programming" activities be provided by IVGID if not specifically expressed in Nevada Revised Statutes as required by Dillon's Rule?

STRATEGIC

PLAN REFERENCE(S): None

DATE: 11-30-2020

I. RECOMMENDATION

That the Audit Committee makes a motion recommending to the IVGID Board of Trustees to proceed immediately with submitting a petition to be filed with the District Court in Washoe County to obtain a judicial examination and determination of the validity of the power to provide "Community Programming" to customers as a GID.

Authority to submit a petition to District Court

NRS 43.100 Petition for judicial examination and determination of validity of power, instrument, act or project: Facts; verification.

1. In its discretion the governing body may file or cause to be filed a petition at any time in the district court in and for any county in which the municipality is located or any act or project is undertaken, wholly or in part, praying a judicial examination and determination of the validity of any power conferred or of any instrument, act or project of the municipality, whether or not such power has been exercised, such

instrument has been executed or otherwise made or such act or project has been taken.

2. *Such petition shall set forth the facts whereon the validity of such power, instrument, act or project is founded and shall be verified by the Executive Officer.*

(Added to NRS by 1969, 135)

II. CAUSE FOR FAIR AND REASONABLE DOUBT

Legislative findings and declaration make clear in NRS 268.001(2) that "In Nevada's jurisprudence, the Nevada Supreme Court has adopted and applied Dillon's Rule to county, city and other local governments". *Local governments* would probably include general improvement districts.

NRS Chapter 318 provides clear evidence that Community Programming (personal services) was not expressly contemplated when establishing the basic powers for the Incline Village General Improvement District. NRS Chapter 318.100 and 318.116

Legislative declarations (NRS 318.015) dictate that *the powers granted will service a public use and will promote the health, safety, prosperity, security and general welfare of the inhabitants*. The basic powers granted to IVGID is to only operate, maintain and repair improvements and furnish facilities which would probably achieve the goals of NRS 318.015 above.

Liberal construction (NRS 318.040) states that *the necessity to secure the public health, safety, convenience and welfare it shall be liberally construed to effect its purposes*. Would Community Programming be a necessity to effect the purposes of furnishing facilities?.

Based on NO expressed authority to provide Community Programming in NRS Chapter 318, a general improvement district MAY NOT have

the power to provide citizens an array of personalized services. Such powers to provide personalized services could only be drawn from NRS 318.210 wherein such services could be *necessary*, or *incidental* or *implied* from the specific (basic) powers granted and defined in NRS 318.100 and 318.116. Since the expressed powers are limited to furnishing and servicing improvements or facilities, providing personalized services as outlined below probably would not be **necessary or incidental or implied**.

III. SUMMARY OF IVGID'S COMMUNITY PROGRAMMING

Community Programming consists of variety of services for individuals as opposed to services required to provide the availability of use of the several recreational venues. The District currently provides 80 different programs in and around the Recreation Center and Beaches and also provides Community Programming at the two Golf Courses and the Diamond Peak Ski Resort, however, the number of programs, financial support and extent of the programs are not known at this time

Based on the 2020/2021 Budget (Workshop on 5-7-2020) the 80 programs are in the following broad categories and require an annual subsidy of the Recreation Facility Fee

Youth & Family	9	Rec Facility Fee Support	- \$112,197
Youth & Family Sports	10	Rec Facility Fee Support	- \$101,511
Seniors	11	Rec Facility Fee Support	- \$184,447
Adult Sports	10	Rec Facility Fee Support	- None
Rec Center Aquatics	16	Rec Facility Fee Support	- \$344,489
Rec Center Fitness	11	Rec Facility Fee Support	- \$235,807
Rec Center Kid Zone	1	Rec Facility Fee Support	- \$58,194
		Total	\$1,036,645

IV EXPRESSED POWERS GRANTED TO IVGID UNDER NRS CHAPTER 318

Within NRS 318, IVGID does NOT have the expressed power to provide Community Programming and the powers appear limited to only improvements and facilities.

- The Basic Power of the IVGID board is for acquisition, construction or servicing of improvements which can be found in NRS 318.100
- The Basic powers actually granted to IVGID can be found in 318.116 and consist of 4 of the 21 powers which can be granted in proceedings for the organization of a GID. The four IVGID powers are:
 - #11 Furnishing facilities for sewerage
 - #13 Furnishing facilities for the collection and disposal of garbage and refuse
 - #14 Furnishing recreation facilities -details of type of facilities in NRS 318.143
 - #15 Furnishing facilities for water
- Under 318.145, The Board shall have to power to operate, maintain, and repair the improvements and all facilities of the district relating to any basic power granted and in addition to exercise from time to time any one, all or any combination of the incidental powers provided in this chapter.
- Under NRS 318.210 the Board shall have and exercise all rights and powers necessary or incidental or implied from the specific powers granted in this Chapter (318). Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this Chapter(318)

V. **ANNUAL RESOLUTION ADOPTING THE COLLECTION OF RECREATION STANDBY AND SERVICES CHARGES (KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE)**

The Board of Trustees approves "*a report on recreation revenue charges to be collected for the fiscal year for the use of Burnt Cedar and Incline Beaches as well as the availability of use of the Incline Village Championship and Mountain Golf Courses, Diamond Peak, and other recreational and facilities for the District and its people.*"

This statement indicates the Board of Trustees intention to provide resources for only the use of various recreational facilities and not to be used for Community Programming.

VI. **BACKGROUND**

In April and May, 2020, two residents of Incline Village requested the Audit Committee to seek legal counsel to investigate whether IVGID has the authority to make certain questioned expenditures which could be in direct violation of Dillon's Rule which requires expressed powers from the State of Nevada to make the questioned expenditures.

On June 30, 2020, Josh Nelson, IVGID's legal counsel, provided a presentation on his review and conclusions of IVGID's compliance with Dillon's Rule relating to the questioned expenditures brought forth by citizens. In general, Mr. Nelson found that the IVGID had proper authority under Dillon's Rule, however, suggested that certain Board Policies be adopted to allow certain expenditures. Audit Committee member Schmitz asked Mr. Nelson to identify the policies that needed to be drafted or were adequate policies in existence that needed to be reviewed and Ms. Schmitz concluded the policy review might be a good next step.

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VII. BID RESULTS

Not required

VIII. FINANCIAL IMPACT AND BUDGET

Unknown

IX. ALTERNATIVES

Forward the opinion of IVGID's legal counsel to the Board of Trustees without any recommendation from the Audit Committee

SUBJECT

-7-

DATE

X. COMMENTS

XI STRATEGIC PLAN REFERENCE(S)

None

VIII. BUSINESS IMPACT

None.

or

Memorandum

November 23, 2020

To: IVGID Audit Committee

Re: Effluent Pipeline - Phase II - Meters and Equipment

At the January 29, 2020 IVGID Board meeting, the Staff provided a presentation indicating the total costs of the Effluent Export Pipeline from fiscal year 2012 to 2019 was \$5,146,100 and included several components (Exhibit A). Meters and Equipment for \$86,500 were one of the components. A public records request response detailed a list of charges for \$77,686.80 (Exhibit B). That list of charges was \$8,813.20 short of what was claimed in the January presentation (Exhibit B).

As expected, the charges had little if anything to do with replacing the six miles of pipeline from Sand Harbor to the culvert at the Douglas County line along State Highway 28. The list of charges range from compressors, meters at the wetlands (12 miles away), surge tanks and replacements of pumps at pump stations. Of particular interest was a charge for Magnesium Hydroxide (a laxative).

It appears any type of charge which was necessary to operate the entire 21 miles of the Export pipeline was charged to the specific project limited to only replacing the 6 miles of Pipeline as stated

The Board of Trustees approved annual budgets and rate studies which provided \$2,000,000 per year was to be set aside for the specific purpose of replacing 6 miles of pipeline and nothing else. The project summary for fiscal 2017 (Exhibit C) clearly indicates that specific purpose.

The Audit Committee should direct Staff or an outside auditor to submit a list of all charges (with appropriate backup) made to the Effluent Pipeline - Phase II project (CIP #2524SS1010) and what charges were actually operating expenses or charges for other capital projects of the Utility Fund.

With this lack of internal controls also demonstrated from a review of the accumulated costs of Air Relief Valves and detailed in the November 6, 2020 memorandum to the Audit Committee an in depth audit is required.

It is my opinion that customers paying for water and sewer charges have been deceived on how their money was used not in accordance with the budgets or assessment of rates and could rise to a legal challenge for a "misappropriation of funds". Citizens must be told of this misappropriation.

Exhibit A - January 29, 2020 Export Pipeline Presentation of accumulated costs

Exhibit B - List of Charges for meters and equipment obtained by public records

Exhibit C - Project Summary for fiscal year 2017

Effluent Export Priority Projects CIP Project Expenditures

Vendor/Item/Description	Expenditure
HDR Engineering Services	\$723,000
PICA – Condition Assessment	\$999,800
Equipment, construction and rentals associated with PICA Condition Assessment	\$334,000
NDOT Contract to repair 13 sites in 2017 (BOT 08/22/2017)	\$1,151,600
Environmental Assessment performed by USFS for TTD Bike Path with Pipeline (BOT 11/19/2014)	\$300,000
Installation of Air Relief Valves on Export Pipeline	\$643,400
IVGID Engineering Billings 2013-19	\$895,500
Export Pipeline Meters and equipment	\$86,500
Jacobs Engineering Services for Upper Pond TM	\$12,300
2012 2019 CIP Expenses Total	\$5,146,100

EXHIBIT B

EFFLUENT EXPORT PRIORITY PROJECTS
EXPORT PIPELINE METERS AND EQUIPMENT

1/29/2020

200-25-240-8120	02/20/2018	Surge tank air compressor for Spooner pu	Cisco Air Systems, Inc.	10,642.80
200-25-240-8120	03/06/2018	front & rear beltguards	Cisco Air Systems, Inc.	441.00
200-25-240-8120	02/28/2018	CIP Work Order Charges - February 2018		256.89
200-25-240-8120	02/28/2018	CIP Work Order Charges - February 2018		446.60
200-25-240-8120	03/12/2018	spooner air compressor	MSC Industrial Supply Co.	123.28
200-25-240-8120	03/14/2018	various nips, cplgs, plugs	Western Nevada Supply	314.99
200-25-240-8120	03/20/2018	bushings, fittings, various piping assly	Western Nevada Supply	73.98
200-25-240-8120	03/21/2018	600PSI LF gauge 2-1/2	Western Nevada Supply	92.56
200-25-240-8120	03/21/2018	1/2 blk MI XH T	Western Nevada Supply	21.22
200-25-240-8120	03/12/2018	spooner air compressor	MSC Industrial Supply Co.	123.28
200-25-240-8120	03/31/2018	March 2018 In-Store Chgs - Acct# 4244	Village Ace Hardware	168.33
200-25-240-8120	02/14/2018	Spooner Pump Station: Replacement wet we	G3 Engineering Inc.	19,350.00
200-25-240-8120	02/14/2018	Freight	G3 Engineering Inc.	1,200.00
200-25-240-8120	03/07/2018	removal and install of new pump @ lakesh	Carson Pump LLC	1,225.00
200-25-240-8120	02/08/2017	CIP #2524SS1010 - Magnesium Hydroxide mi	Brawn Mixer, Inc.	6,994.00
200-25-240-8120	02/08/2017	CIP #2524SS1010 - Freight	Brawn Mixer, Inc.	480.55
200-25-240-8120	01/01/2017	Wetlands Export Line Meter		27,457.32
200-25-240-8120	04/01/2017	Wetlands Export Line Meter		8,275.00

TOTAL

\$ 77,686.80

A LAXATIVE

PER REPORT

\$ 86,500.00

UNACCOUNTED

\$ 8,813.20



Project Summary

Project Number:	2524SS1010	
Title:	Effluent Export Line - Phase II	
Asset Class:		
Division:	24 - Transmission	
Budget Year:	2017	
Scenario Name:		Active: Yes
Budget Status:	Data Entry	
Locations:		
Project Something:	SS - Sewer System	

Project Description
<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.</p> <p>The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.</p>
Project Internal Staff
The Engineering Department will manage all phases of this project.
Project Justification
<p>The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin.</p> <p>The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.</p>

MEMORANDUM

To: IVGID Audit Committee

From: Clifford F. Dobler and Linda Newman

Dated: November 25, 2020

Subject: Memorandums by Clifford F. Dobler and Linda Newman regarding accounting errors and irregularities in the Incline Village General Improvement District Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019

Linda Newman and Clifford F. Dobler have submitted 27 memorandums ("Points") to the Audit Committee ("AC") regarding accounting irregularities which are believed to have negatively impacted the fair and accurate reporting of the District's financial statements and footnotes in the District's 2019 CAFR as well as previous CAFRs. Failure to address these points now could result in deceptive accounting and reporting practices in the District's current and future fiscal year CAFRs as well as other financial statements presented to the Board, the public and State and Federal regulatory agencies.

Under IVGID Board policy 15.1.3.3 the Audit Committee is to: *"Review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader. Communicate with the submitter, if known, regarding their submitted concern."*

At the June 30, 2020 AC meeting, Director of Finance Navazio was scheduled to present a status report on 14 points. At that meeting, the agenda item was never heard.

At the August 19, 2020 AC meeting, Mr. Navazio presented his report on the 14 points. The AC decided to engage an outside accounting firm to review 4 of the 14 points.

On September 1, 2020, the Audit Committee supported the selection of Moss Adams, an independent CPA firm, to review the existing Accounting and Reporting methods on the 4 points.

It was our understanding that the specific transactions disclosed in the four points would be addressed by Moss Adams. However, the contract was only to provide guidance on IVGID's existing accounting treatments and methods. Specific transactions, we assume, will not be addressed. The report by Moss Adams has not been presented to the AC.

Sometime in October, Chair Dent had a telephone conversation with Eide Bailly Audit Engagement Partner Tiffany Williamson on some of the 27 points. That conversation was communicated to Mr. Dobler, but not to Ms. Newman. Based on that telephone conversation, Mr. Dobler was told that certain points were considered immaterial and other points would require a restatement of the 2019 CAFR. Mr. Dobler asked Chair Dent if he could obtain Eide Bailly's conclusions in writing. Nothing, to date, has been received. Chair Dent informed Mr. Dobler that a meeting to cover some of the 21 points

would be held via Zoom with Ms. Williamson and Mr. Navazio on November 6, 2020 . That meeting was cancelled.

During October and November of 2020, Mr. Dobler submitted to the AC 4 of the 27 points regarding additional errors in the 2019 CAFR. He subsequently withdrew and resubmitted one point.

On November 19th, Ms. Williamson gave a generic presentation on “materiality” without addressing any of the 27 points and whether or not the District’s improper accounting was or wasn’t “material.”

Also, at the AC meeting on November 19, 2020 , Mr. Dobler presented five of the now outstanding 27 points and gave his opinion on each. The AC as a whole took no action and did not assign responsibility for the new points.

Amazingly, when Mr. Dobler, requested written AC responses to the initial set of new points, Trustee Treasurer and AC member Sara Schmitz responded that he should write the responses. It should be clear from the memorandums that the only response is for management to correct the errors, inaccuracies, omissions and violations of Generally Accepted Accounting Principles and for the District to restate the 2019 and previous CAFRs to provide complete and accurate financial statements.

We are extremely concerned and disappointed that the Audit Committee Chair has not yet adhered to the requirements of Board Policy 15.1 and assigned ALL the concerns to the appropriate organizational leader as required by Board Policy 15.1. We are also concerned about the absence of any written responses from the Audit Engagement Partner on the points addressed and the conclusions rendered. Please request this at your earliest convenience.

It should be noted that Director of Finance Navazio, who has never been licensed as a CPA and has limited experience working at our District, has repeated his opinion at the November 19th AC meeting that the 2019 CAFR does not require restatement. His commentary conflicts with Eide Bailly Audit Engagement Partner Williamson’s verbal statements to Chair Dent.

There has, to date, never been an in-depth discussion regarding the 27 points by the AC as it relates to restatement of the 2019 CAFR and possibly previous CAFRs. As these points add up to millions of dollars that have not been accounted for properly which distort the financial condition of the District as well as the management of its operations, we believe that ALL of these concerns must be satisfactorily resolved.

Mr. Dobler and Ms. Newman respectfully request written responses to the 27 points submitted to the Audit Committee and what actions will be instituted to ensure that the District’s prior and current CAFRs will be presented fairly and accurately.

We also request that this Memorandum be placed as an item for review, discussion and possible action on the next Audit Committee agenda.

Memorandum

January 2, 2021

To: James C. Lanzarotta - Moss Adams LLP

From: IVGID Audit Committee Member Clifford F. Dobler and Linda Newman

Re: Red-lined Draft Final Report on Evaluation of Certain Accounting and Reporting Matters:
Punch Card Accounting Dated 12-19-2020

The Report stated that “while we find there is a reasonable purpose behind the contra revenue methodology that is not inconsistent with GAAP and the budget requirements of the State, we recommend ceasing the use of the current accounting methodology.”

While we agree with your recommendation, we find that your assessment of the District’s compliance with GAAP, State Law and the State’s budget requirements may be based on a misunderstanding that there is only one Recreation Fee covering all recreation activities, as well as your reliance upon incomplete and incorrect information.

Our initial concern with the Accounting for Punch Card Utilization was the unreported annual transfers of money from the Community Services Special Revenue Fund ("CSSRF") to the Beach Special Revenue Fund ("BSRF"). Over an eight year period that stretches from fiscal year 2013 through fiscal year 2020 almost \$3.2 million has been transferred. Of this amount, approximately \$176,000 was taken from property owners who pay a Recreation Fee for the activities of the Community Services Fund(s) but do not have beach access. These transfers violate GASB Statements #34 and #54 defining Special Revenue Funds as well as Nevada law and the Board’s Resolution establishing these Funds in that the Revenues collected for the CSSRF can only be expended for the Community Services activities and the Revenues collected for the BSRF can only be expended on Beach activities. These transfers further violate GAAP s requiring the matching of revenues with related revenue offsets in each Special Revenue Fund as District Management reports Charges for Services Revenues in each independent Special Revenue Fund, but contra revenues are erroneously matched in a different Special Revenue Fund. As these transfers would not be permissible, they were never reported as required on the State Budget Forms and were not accurately disclosed in the Financial Statements and respective Notes in the District’s CAFRs. Instead, former Management’s concerted efforts to conceal the transfers through the budget process and subsequently through confusing and false information in the Notes to the Basic Financial Statements in the District’s CAFRs seem to indicate a deceptive unwarranted action. These violations should

outweigh acceptance of an accounting treatment created through reliance upon a Board majority approving a Budget process.

We offer the following facts for your consideration:

I. The District collects two separate fees: The Availability of Use and Standby Service Recreation Fee for the CSSRF, Capital Projects and Debt Service Funds and the Availability of Use and Standby Service Beach Fee for the BSRF, Capital Projects and Debt Service Funds.

II. There are two sets of property owners paying the separate fees. For fiscal year 2021 there are:

7,748 property owners assessed both the Recreation Fee and the Beach Fee

455 property owners assessed only the Recreation Fee who do not have Beach access

For clarification, the Fees are assessed based on the number of parcels/dwelling units for residential property owners. For example: a 12 unit apartment complex may be located on one parcel but the property owner would be assessed 12 fees. Commercial Property owners are assessed by parcel.

The Privileges for payment of these Standby Service and Availability of use Recreation and Beach Fees are detailed in Ordinance 7. (Exhibit “F”)

III. Board Resolution No. 1838 effective July 1, 2015 (Exhibit “A”) which established these funds clearly states that all sources of revenues in the Community Services Fund(s) including the Recreation Fee can only be used for the “Recreational activities conducted by the District under NRS 318, other than Beach locations.” All sources of revenues in the Beach Fund(s) including the Beach Fee can only be used for the “Recreational activities conducted by the District under NRS 318 for Beach locations.”

To comply with the definitions of Special Revenue Funds found in GASB Statements #34 and #54, State Law and the State Budget requirements, the Board would only be able to budget sources of revenue for the specific activities of each respective fund. State Law and State Budget regulations would be violated if the specific revenues for the activities of the Community Services Fund(s) restricted or committed to expenditures for the activities of the Community Services Fund(s) were collected, transferred and expended for Beach activities. State Budget Forms also require the disclosure of ALL Transfers to and out of ALL Funds. As stated earlier, the District’s Budget Forms do not disclose any transfers from the CSSRF to the BSRF.

IV. The Contra Revenue accounting methodology created by IVGID Management is as follows:

At the out start, it should be noted that these unreported transfers were used to offset Management’s double booking of revenues at the Community Services and Beach venues when the District reported the utilization of punch cards. As you should be aware, when property owners are assessed a

Recreation Fee and/or a Recreation and Beach Fee they are entitled to any combination of 5 recreation passes (picture passes) and/or punch cards. The annual Recreation Fee for the activities in the Community Services Fund(s) and the annual Beach Fee for the activities in the Beach Funds prepay the value of the punch cards, whether or not the punch cards are used at none, any or all of each of these funds' respective venues. This means that the total Revenue for the payment of the Recreation and Beach Fees which include the value of any combination of five recreation passes and/or punch cards are recognized at the time the District collects these Fees. When punch cards are presented at the venue only the difference between the resident and non-resident rate is deducted from the value of the punch card. There are NO actual revenues received at the recreational or beach venues when punch cards are used. Despite this, District management has chosen to report "charges for services" at Community Services and the Beach venues when punch cards are presented. To offset these non-existent charges for services revenues which inflate the actual charges for services revenues at the recreational and beach venue departments, management devised a convoluted and bizarre accounting treatment.

The creation of charges for services revenues when punch cards were used at recreational and beach venues began in fiscal year 2011. Prior to that period, the difference between the resident rate and the non-resident rate deducted from the value of the punch card was not reported as "charges for services revenues" at the Community Services and Beach venues. During the past 8 years, the District assigned a value of \$166 for each punch card issued when the Recreation and Beach Facility Fees were assessed. This equates to 1/5 of the total \$830 of Recreation and Beach Fees collected. Payers of the Recreation Fee without Beach access had an assigned valued of 1/5 of ONLY the Recreation Fee paid. There is no value assigned to the Recreation Passes as the use is unlimited to obtain resident rates at all recreation venues. As defined in Ordinance 7, when a punch card is used at the Community Services and Beach Venues, the FULL value of the difference between the Resident Rate and the Non-Resident Rate is subtracted from the value of the Punch Card. We underscore again, when the Punch Card is presented at the Community Services and Beach Venues, **no cash revenue is actually received by the venues although the District decided to report Revenues from the utilization of Punch Cards.** These reported non-cash revenues are known as the "difference between the resident rate and the non-resident rate paid by the punch cards."

In order to record a charge for services revenue by utilizing a punch card at any venue, an offset of 100% was necessary as no money was received by the District. The offset was considered a contra revenue and reported in the annual CAFR Notes to the Financial Statements as a Significant Accounting Policy called "Punch Cards Utilized."

This contra revenue, however, was not recorded as an offset against where the actual charge for service revenue was recorded in each CSSRF and BSRF venue. Instead, Management, without any Board approved policy, devised a predetermined percentage for each special revenue fund that had

no relationship to where the charges for services revenue were recorded. This method of utilizing contra revenue accounting defies the basic accounting concept of matching the same revenues with contra revenues of the same revenues. It is also a breach of the substance over form doctrine.

For fiscal years 2013 to 2017 the contra revenue offset percentage of the TOTAL Charges for Services Revenues for punch cards utilized was 88% for the CSSRF and 12% for the BSRF. Beginning in 2018 the percentages were adjusted to 85% and 15% respectively.

For Example: In fiscal year 2019 the District reported \$879,000 of **Total** charges for services revenues from utilizing punch cards. \$289,000 was recorded in the CSSRF and \$590,000 was recorded in the BSRF. However, the 100% contra revenue offset (punch cards utilized) was \$757,000 recorded in the CSSRF and only \$122,000 recorded in the BSRF. The net difference of \$468,000 between the two funds required a cash transfer from the CSSRF to the BSRF to pay for the reported charges for services revenues recorded in the BSRF. (See Exhibit "E")

Confused? So were we. Although the total value, also known as 100% of the “difference between the resident rate and the non-resident rate” is deducted from the value of the punch card, Management determined in 2019 that only 15% of this difference would be recorded at the Beach venues when punch cards were utilized and 85% of this difference would be reported at the Community Services venues. This means that the District was reporting 85% of the difference between the resident and non-resident rate as Charges for Services Revenues at the Beaches and 15% of the difference between the resident and non-resident rate as Charges for Services Revenues at the Community Services venues. In 2015, Mr. Dobler corresponded with former Director of Finance Eick for an explanation of the 88%/12% formula used at that time. The email chain attached as Exhibit “G” may provide a greater understanding of this “sleight of hand” maneuver.

Exhibit “B” is a historical summary of how charges for services revenues were recorded from punch card use and the corresponding percentage contra revenue offset. This mismatch has resulted in \$3,173,687 being transferred from the CSSRF to the BSRF over an eight year period. Property owners who pay the Recreation Fee but do not have beach access, unknowingly have had their share (approximately 5.5%) of the Recreation Fee used for contra revenue offsets misappropriated to the BSRF. As of June 30, 2020, a cumulative \$176,140 of their Recreation Fees has been unlawfully misappropriated to the BSRF. These property owners will need to be repaid.

V. Over the 8 year period, the Board approved an annual budget that allocated a portion of the Recreation Fee in the Administration Department of the CSSRF to pay for 85% of the TOTAL “non-cash” charges for services revenues generated by utilizing punch cards. Since a disproportionate share of the reported revenues from punch cards were utilized at the Beaches, transfers from the CSSRF to the BSRF were required (Exhibit B). These transfers from one independent special revenue fund to another independent special revenue fund with different activities was never

disclosed on the State Budget forms, although the State requires that all transfers in and out of funds be reported on the forms. Below is the link of the instructions for completing the forms with page 15 identifying the reporting of transfers:

[https://tax.nv.gov/uploadedFiles/taxnvgov/Content/LocalGovt/LocalGovt_Finance/Form%204404%20FY%202018%20Budget%20Instructions%20-%20Non%20Schools\(1\).pdf](https://tax.nv.gov/uploadedFiles/taxnvgov/Content/LocalGovt/LocalGovt_Finance/Form%204404%20FY%202018%20Budget%20Instructions%20-%20Non%20Schools(1).pdf) Here is a link to the District's State forms for fiscal year 2020:

https://www.yourtahoeplace.com/uploads/pdf-ivgid/5-22-19_Item_I.5.-General_Business_-_Budgets.pdf Previous year Budget Forms also do not reflect transfers from CSSRF to the BSRF.

The services provided by this Administration Department are identified in the Executive Summary for the FYE 2021 Operating Budget (Exhibit "C"). These services are predominantly "Management & Administration of Ordinance 7 and the Beach Deed" and the "Management & Administration of Recreation Privileges." However, there is no disclosure that Recreation Fee money allocated for this department will be used to pay for charges for services revenues at the Beaches.

VI. Note 1T in the 2019 Basic Financial Statements (Exhibit "D") titled "Punch Cards Utilized" is an attempt to describe significant accounting policies for the contra revenue reporting and accounting. However, there is no Board approved Policy or Practice that validates this 85%/15% Fee Structure for Recreation passes or punch cards. There are several misstatements within the Note as follows:

a) Confuses Recreation passes (picture passes) with punch cards and falsely states that "parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees." Recreation Passes allow the holder to pay the resident rate. Recreation passes can be used an unlimited amount of times with no reduction to their value.

b) "These forms of payment are presented as contra revenue in the Fund statements." There is nothing presented in the Fund financial statements regarding contra revenues.

c) "Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel." The Utilization is actually the contra revenue offset. Parcels do not pay facility fees, property owners do. Also note, that there isn't a total facility fee, there are two separate fees for two independent funds.

d) "Under the 2018-2019 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund." It is unknown what the "fee structure" is and what "this is."

In essence, what this Note is attempting to state is that the TOTAL value of punch cards utilized (the contra revenues offset) will be recorded at 15% in the BSRF and 85% in the CSSRF.

VII. Note 18 in the 2019 Basic Financial Statements titled "Segment Information for Community Services and Beach Special Revenue Funds" (Exhibit "E") began appearing in fiscal year 2016.

According to GASB Statement #34 paragraphs 122-123, segment information can only be used for Enterprise Funds. The intent of the Note was to provide punch card accounting in disguise. The Note provided a column titled "Paid with Punch Cards" to list the amount of charges for services revenues recorded in each recreational venue and within each special revenue fund. The column titled "Punch Cards Utilized" is actually the contra revenue offset in each special revenue fund. The imbalance between the CSSRF and the BSRF charges for services revenues and the offsetting contra revenue is the transfer of money from the CSSRF to the BSRF. This "Net" amount is the undisclosed amount of money transferred from the Community Services division of the CSSRF to the BSRF –which is not disclosed to the State or the citizens in the District's Budget or identified in the District's financial statements.

In conclusion, as correctly stated in your earlier Draft Report, the change to Governmental Fund accounting from Proprietary Fund accounting for the business activities of the Community Services and Beaches (two separate activities) was a personal preference of the District's management staff. However, as part of that personal preference, the District was required to submit to the Nevada Department of Taxation a Resolution creating new governmental funds in accordance with Nevada Administrative Code 354.241 - Creation of Funds.

In light of the State requirements for the creation of these Funds and the Board Resolution establishing these Funds, it should be quite clear that budgeting a portion of the Recreation Fee which is a committed source of revenue for the CSSRF activities for the purpose of paying Charges for Services revenues in the BSRF could not have been considered and was in direct violation of Resolution 1838 and GASB statements on accounting and reporting Special Revenue Funds. The District's punch card accounting was at a minimum inappropriate. The consequences, however, resonate in the District's presentation of deceptive financial statements. This is not a minor matter on many levels. One standout is the District's budgeting of expenses at the Beaches that exceed the actual revenues without these unreported transfers from the Community Services Special Revenue Fund.

In addition, as a result of this punch card accounting which resulted in transferring almost \$3.2 million from 2013 to 2020 from the CSSRF to the BSRF (from 2013 to 2015 reporting was in enterprise funds) created a liability to the parcel owners who paid the Recreation Fee which should only have been used for the recreation activities of the CSSRF. As indicated in item *II.* above, 455 property owners who pay the Recreation Fee do not pay a Beach Fee and do not have Beach privileges. All property owners who pay a Recreation Fee, a Fee that was inflated to provide a portion which was used for a purpose other than the activities of the Community Services venues, have been deceived. Those who pay the Recreation Fee and do not have beach access have not only been deceived, they have been harmed by subsidizing the use of our beaches by others --beaches which they cannot legally access.

Although this Memorandum has far exceeded the desired length, it was necessary to explain the complexities of the District's punch card accounting and its inherent violations of GAAP, State law and State Budgeting.

On another, and final note, in reviewing your Report on the required use of an Internal Services Fund for the District's Central Services Cost Allocation, it raises the issue for the use of an Internal Services Fund to replace operations of the Community Services Administration department. If you take a close look at Exhibit "C" you will see that this department is engaged in activities and incurring expenses that are not part of Community Services activities and include administration of Ordinance 7 and the Beach Deed; District Parcel Data; Commercial Property Owners/Timeshares; Sales of Daily and Exchange Beach Passes, etc. These services appear to be best provided in an Internal Service Fund with the expenses allocated appropriately to the funds receiving the service.

EXHIBITS

- A. Board Resolution 1838 effective July 1, 2015
- B. Historical Summary of Punch Cards Utilized and corresponding Contra Revenues between Funds
- C. Executive Summary for Community Services Administration Department - 2021 Operating Budget
- D. Note 1T to the 2019 Basic Financial Statements
- E. Note 18 to the 2019 Basic Financial Statements
- F. Ordinance 7
- G. Former Director of Finance Eick email chain with Mr. Dobler

EXHIBIT "A"

3 pages



RESOLUTION NO. 1838

A RESOLUTION TO CREATE GOVERNMENTAL FUND TYPE; SPECIAL REVENUE, CAPITAL PROJECTS AND DEBTS SERVICE FUNDS FOR THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FOR COMMUNITY SERVICES AND BEACH FUNDS AS REQUIRED BY NEVADA ADMINISTRATIVE CODE 354.241, EFFECTIVE AS OF JULY 1, 2015

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

WHEREAS, pursuant to Nevada Administrative Code (NAC) Section 354.241, a local government is required to adopt a Resolution to create a fund types covered by Nevada Revised Statute 354.624 5 (a); and

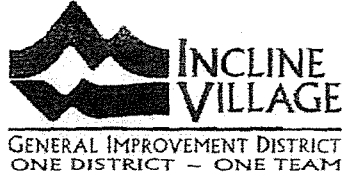
WHEREAS, the District Community Services and Beach Funds provides services as defined under Nevada Revised Statute (NRS) 318, which in effect requires the use of those Fund's fund balance for a specific purpose; and

WHEREAS, on December 10, 2014, the Board of Trustees directed staff to apply for approval of the District's 2015-16 budget by the Nevada Department of Taxation utilizing Special Revenue, Capital Projects and Debt Service Fund accounting for Community Services and the Beach Funds; and

WHEREAS, the District expects to receive notice that its budget is found to be in compliance with NRS 354.598 by the Nevada Department of Taxation.

NOW, THEREFORE, IT IS ORDERED, as follows:

1. Effective July 1, 2015 the Incline Village General Improvement District, Nevada shall establish the governmental fund type Special Revenue, Capital Projects and Debt Service Funds for use by its Community Services and Beach Funds.
2. The table on the last page of this Resolution contains the required elements 1-4 and 6-7 under NAC 354.241, element 5 is met by the existing fund balance of the affected funds.



RESOLUTION NO. 1838

A RESOLUTION TO CREATE GOVERNMENTAL FUND TYPE; SPECIAL REVENUE, CAPITAL PROJECTS AND DEBTS SERVICE FUNDS FOR THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FOR COMMUNITY SERVICES AND BEACH FUNDS AS REQUIRED BY NEVADA ADMINISTRATIVE CODE 354.241, EFFECTIVE AS OF JULY 1, 2015

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 21st day of May, 2015, by the following vote:

AYES, and in favor thereof, Trustees:

NOES, Trustees:

ABSENT; Trustees:

Jim Hammerel
Secretary, IVGID Board of Trustees



RESOLUTION NO. 1838

A RESOLUTION TO CREATE GOVERNMENTAL FUND TYPE; SPECIAL REVENUE, CAPITAL PROJECTS AND DEBTS SERVICE FUNDS FOR THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FOR COMMUNITY SERVICES AND BEACH FUNDS AS REQUIRED BY NEVADA ADMINISTRATIVE CODE 354.241, EFFECTIVE AS OF JULY 1, 2015

Fund Name	Purpose	Source of Revenues	Short-term Expenditures	Long-term Expenditures	Plan for Fund Balance	Adequacy of Fund Balance
Community Services – Special Revenue	Recreational activities conducted by the District under NRS 318, other than Beach locations	User fees, stand by charges, rents, grant, investment earnings and other income	Operating expenditures to provide recreational activities	Transfers out to capital purchases and debt service to support recreational activities	Meet the minimum necessary to maintain District recreational activities	Consider the District's Board Policy on Appropriate Level of Fund Balance
Community Services – Capital Expenditure	Capital expenditures related to recreational activities conducted by the District under NRS 318, other than Beach locations	Sales of coverage and capital assets and transfers from the Community Services Special Revenue Fund	Operating expenditures related to Community Services capital expenditures	Capital purchases to support Community Services recreational activities	Meet the minimum necessary to execute Community Services capital purchases	Consider the District's Board Policy on Appropriate Level of Fund Balance
Community Services – Debt Service	Debt service expenditures related to recreational activities conducted by the District under NRS 318, other than Beach locations	Transfer from the Community Services Special Revenue Fund	Operating expenditures related to Community Services debt service expenditures	Debt service expenditures to support Community Services recreational activities	Meet the minimum necessary to execute Community Services debt service expenditures	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Special Revenue	Recreational activities conducted by the District under NRS 318 for Beach locations	User fees, stand by charges, rents, grant, investment earnings and other income	Operating expenditures to provide Beach recreational activities	Transfers out to capital purchases and debt service to support Beach recreational activities	Meet the minimum necessary to maintain District Beach recreational activities	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Capital Expenditure	Capital expenditures related to recreational activities conducted by the District under NRS 318 for Beach locations	Sales of coverage and capital assets and transfers from the Beach Special Revenue Fund	Operating expenditures related to Beach capital expenditures	Capital purchases to support Beach recreational activities	Meet the minimum necessary to execute Beach capital purchases	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Debt Service	Debt service expenditures related to recreational activities conducted by the District under NRS 318 for Beach locations	Transfer from the Beach Special Revenue Fund	Operating expenditures related to Beach debt service expenditures	Debt service expenditures to support Beach recreational activities	Meet the minimum necessary to execute Beach debt service expenditures	Consider the District's Board Policy on Appropriate Level of Fund Balance

EXHIBIT "B"

**Incline Village General Improvement District
Summary of Punch Cards Utilized and corresponding Contra Revenues (Punch Cards Utilized)
for the Community Services Fund and the Beach Fund
Fiscal Years 2013 to 2020**

for fiscal years 2013 to 2015 activities were reported using Enterprise Fund accounting
for fiscal years 2016 to 2020 activities were reported using Special Revenue Fund accounting

	Punch Cards Utilized			Sources
	Community Services	Beach	Total	
2013				
Charges for Services	92,571	549,867	642,438	Provided by District
Contra Revenues 88% -12%	(565,345)	(77,093)	(642,438)	Disclosed in CAFR
Transfer	(472,774)	472,774	-	
2014				
Charges for Services	95,023	506,498	601,521	Provided by District
Contra Revenues 88% -12%	(529,338)	(72,183)	(601,521)	Disclosed in CAFR
Transfer	(434,315)	434,315	-	
2015				
Charges for Services	78,396	454,983	533,379	Provided by District
Contra Revenues 88% -12%	(469,374)	(64,005)	(533,379)	Disclosed in CAFR
Transfer	(390,978)	390,978	-	
2016				
Charges for Services	233,379	300,000	533,379	Disclosed in CAFR
Contra Revenues 88% -12%	(469,374)	(64,005)	(533,379)	Disclosed in CAFR
Transfer	(235,995)	235,995	-	
2017				
Charges for Services	334,000	325,000	659,000	Disclosed in CAFR
Contra Revenues 88% -12%	(579,920)	(79,080)	(659,000)	Disclosed in CAFR
Transfer	(245,920)	245,920	-	
2018				
Charges for Services	233,000	691,000	924,000	Disclosed in CAFR
Contra Revenues 85% -15%	(785,400)	(138,600)	(924,000)	Disclosed in CAFR
Transfer	(552,400)	552,400	-	
2019				
Charges for Services	289,000	590,000	879,000	Disclosed in CAFR
Contra Revenues 85% -15%	(747,150)	(131,850)	(879,000)	Disclosed in CAFR
Transfer	(458,150)	458,150	-	
2020 DRAFT				
Charges for Services	247,649	490,592	738,241	Disclosed in Draft CAFR
Contra Revenues 85% -15%	(630,804)	(103,876)	(734,680)	Disclosed in Draft CAFR
Transfer	(383,155)	386,716	3,561	Error in additon
Total				
Charges for Services	1,603,018	3,907,940	5,510,958	
Contra Revenues	(4,776,705)	(730,692)	(5,507,397)	
Transfers	(3,173,687)	3,177,248	3,561	
Parcel owners not able to use Beaches 5.55%	\$ (176,140)	THIS MUST BE REPAYED TO THE 455 PARCEL OWNERS		
Average Transfers per year - 8 years	\$ (396,711)			
% of total Charges for Services paid with PC	29.1%	70.9%	100.0%	
% of total PC utilized Contra Revenue Offsets	86.7%	13.3%	100.0%	

For Fiscal Years 2013 to 2015 no disclosure was provided in the CAFR for the amount of Charges for Services generated by using punch cards. However, the contra revenue amounts were disclosed

By e mail from Indra Winqwest dated March 9, 2020 the Charges for Services generated by using punch cards was provided for fiscal years 2013, 2014 and 2015

**Incline Village General Improvement District
Community Services Administration – Executive Summary
Operating Budget FYE June 30, 2021**

Service Metrics/Season Period

The Community Services Administration is available 364 days a year and operates primarily out of the Recreation Counter at the Recreation Center. Administration Services related to the District's Recreation Privileges are typically offered between the hours of 8:00am – 5:30pm daily.

<u>Service Measure (Visits)</u>	<u>Actual</u> <u>2018/19</u>	<u>Budgeted</u> <u>2019/20</u>	<u>Budgeted</u> <u>2020/21</u>
Recreation Counter visits	144,888	148,000	145,000

Staffing

Total FTE's	3.5	3.7	4.0
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Services Provided

- Management & Administration of Ordinance 7 and the Beach Deed
- Management & Administration of the District's Parcel Data
- Management & Administration of Recreation Pass & Recreation Punch Card Data & Issuance
- Works directly with Commercial Property Owners/Timeshares
- Works directly with Title Agencies on change of title for all parcels
- Works directly with Property Management Agencies related to short and long term rental policies and requirements.

Incline Village General Improvement District
Community Administration
Service Level Outline
Operating Budget FYE June 30, 2021

Community Administration - Daily (364 days)

Service Provided	Frequency
Management & Administration of Ordinance 7 and the Beach Deed	Daily
Management & Administration of the District's Parcel Data	Daily
Management & Administration of Recreation Privileges	Daily
Recreation Pass & Recreation Punch Card Data & Issuance	Daily
Works directly with Commercial Property Owners/Timeshares	Daily
Works directly with title companies on change of title for all parcels	Daily
Works Directly with Property Management agencies	Daily
Sales of Daily and Exchange Beach Passes	May - October
Recreation Privileges Administrative Support for all Community Services Venues	Daily

**Incline Village General Improvement District
Community Administration
Budget Items of Note
Operating Budget FYE June 30, 2021**

Items of Note for Budgeting Fiscal Year 2020-21

Revenue/Sources

- Sources down \$20,000 in Investment Income, otherwise flat year on year.

Expenses/Uses

- Personnel increased by 3% due to inflationary cost of living increases in wages. Wages include allocations of Community Services Management, and Recreation Counter Staff primarily to administer community services operations as they relate to governance of district policies and ordinances, recreation pass and punch card issuance, and management of the district's recreation roll.
- Services & Supplies increased \$7000 (10%). Mainly due to Printing and Publishing district communication material as it relates to community services.
- Overall Community Services Administration is increasing \$26,000. This is due to reduction in investment income and increased personnel costs.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 COMMUNITY SERVICES ADMINISTRATION
 PROPOSED OPERATING SOURCES AND USES
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021

	Actual FYE - 18	Actual FYE - 19	Estimated Actual FYE- 20	Approved Budget FYE - 20	Proposed Budget FYE - 21	
Sources:						
Ad Valorem Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	
Consolidated Taxes	-	-	-	-	-	
Charges for Services	(758,480)	(730,819)	(750,000)	(748,600)	(738,000)	
Facility Fee	913,137	1,314,976	1,041,781	1,041,781	1,041,781	contra revenue
Investment income	46,083	159,002	55,000	50,000	30,000	
Miscellaneous Revenues	1,398	7,406	8,000	-	-	
Intergovernmental	-	-	-	-	-	
Interfund	-	-	-	-	-	
Central Services	-	-	-	-	-	
Total Sources	202,138	750,565	354,781	343,181	333,781	
Uses:						
Salaries & Wages	144,815	153,065	170,000	183,759	181,948	
Employee Benefits	41,518	43,445	55,000	60,652	70,030	
Total Personnel	186,333	196,510	225,000	244,411	251,978	
Professional Services	6,858	-	-	-	-	
Services & Supplies	42,467	41,213	49,000	71,256	79,068	
Insurance	-	-	-	-	-	
Utilities	7,812	8,562	8,600	8,604	8,604	
Cost of Goods Sold	-	-	-	-	-	
Central Services	18,800	17,000	19,800	19,800	21,300	
Defensible Space	95,228	100,000	100,000	100,000	100,000	
Total Services & Supplies	171,165	166,775	177,400	199,660	208,972	
Total Uses	357,498	363,285	402,400	444,071	460,950	
Net Sources (Uses)	\$ (155,360)	\$ 387,280	\$ (47,619)	\$ (100,890)	\$ (127,169)	

EXHIBIT "D"

2019 CAFR Notes to Financial Statements - Note 1. - Summary of Significant Accounting Policies

Q. Net Position

In the Proprietary fund and the government-wide financial statements, net position is presented in one of three classifications. Net investment in capital assets, restricted and the residual unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. The unrestricted component of net position is the net amount of assets and liabilities not included in the determination of net investment of capital assets or the restricted component.

R. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

S. Central Services Cost Allocation

The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item from the expense category.

T. Punch Cards Utilized

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2018-2019 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund.

U. Implementation of GASB Statement No. 88

As of July 1, 2018, the District adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The implementation of this standard is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The additional disclosures required by this standard are included in Note 8.

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District's checking deposits was \$2,913,075 while the bank balance was \$2,850,508. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

EXHIBIT "E"

2019 CAFR - Notes to Financial Statements

17. DUE TO OTHER GOVERNMENTS

The Nevada Department of Taxation has notified the District of refund of sales tax due another taxpayer, resulting in reductions of monthly Consolidated Tax Distributions. While the exact amount and terms for the reductions is not determined, sufficient information was available to arrive at an estimated \$60,000 liability. The refund applies to taxes received over three years ending in March 2017. The District share of this refund are being made through 18 monthly reductions that began with the July 2018 Consolidated Tax Distribution. The first twelve months resulted in \$28,946 applied to the \$60,000.

18. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS

The District provides recreation functions through two individual special revenue funds. Each serves a different set of venues and customer base. A significant source of revenue for these functions for operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each function and expenditure type. Facility Fees have been listed separately by fund and function. The operating portion of the facility fee is combined with charges for services to provide the resources for providing services. Charges for services are aggregated, while expenditures are provided by function. As stated in Note 1 T, part of the facility fee can be used to pay for charges for services in lieu of other forms of privileges. These are referred to as Punch Cards. The following are major functions included in Charges for Services and the approximate amounts of punch cards activity that is included.

	Charges for Services	Paid with Punch Cards	Punch Cards Value Utilized	Contra Revenue
Community Services Fund:				
Championship Golf	\$ 3,952,989	\$ 25,000	\$ -	
Mountain Golf	690,668	56,000	-	
Facilities	392,246	-	-	
Ski	11,778,871	200,000	-	
Community Programming	1,364,044	1,000	-	
Parks	46,580	-	-	
Tennis	153,435	-	-	
Recreation Administration	<u>(730,819)</u>	<u>7,000</u>	<u>(757,000)</u>	(\$468,000)
Total	<u>\$ 17,648,014</u>	<u>\$289,000</u>	<u>\$(757,000)</u>	Transfer
Beach Fund	<u>\$ 1,492,687</u>	<u>\$590,000</u>	<u>\$(122,000)</u>	\$468,000
District Total		<u>\$879,000</u>	<u>\$(879,000)</u>	

19. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2019 services. As of June 30, 2019 \$92,500 in quarterly deposits are remaining as a part of the subsequent year's budget.

ORDINANCE NO. 7
*(As amended June 13, 1991; November 17, 1993;
May 8, 1995; June 12, 1995; March 25, 1998)*

**AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS
FOR RECREATION PASSES AND RECREATION PUNCH CARDS BY THE
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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ORDINANCE NO. 7

*(As amended June 13, 1991; November 17, 1993;
May 8, 1995; June 12, 1995; March 25, 1998)*

**An Ordinance Establishing Rates, Rules and Regulations
for Recreation Passes and Recreation Punch Cards by the
Incline Village General Improvement District**

RECREATION PASS ORDINANCE

**Be it ordained by the Board of Trustees of
the Incline Village General improvement
District, Washoe County, Nevada, as follows:**

ARTICLE I. GENERAL PROVISIONS

1. **Short Title.** This ordinance shall be known and may be cited as the "Incline Village General Improvement District Recreation Pass Ordinance."
2. **Words and Phrases.** For the purpose of this ordinance, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.
3. **Separability.** If any section, subsection, sentence, clause or phrase of this ordinance or the application thereof to any person or circumstances is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance or the application of such provision to other persons or circumstances. The Board hereby declares that it would have passed this ordinance or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.
4. **Posting.** The adoption of this ordinance shall be entered in the minutes of the Board and certified copies hereof shall be posted in three (3) public places in the District for ten (10) days following its passage.

ARTICLE II. DEFINITIONS

When used in this ordinance, the following terms shall have the meanings defined below:

5. **Affinity** signifies the connection existing in consequence of marriage between each of the married persons and the blood relatives of the other.
6. **Agent** means the person designated by an owner to represent the owner in matters pertaining to the assignment of recreation privileges.

7. **Assignment** means the naming of persons to receive recreation privileges.
8. **Beach Pass** means a daily pass, good for one day only, sold by the District allowing entry onto the District-owned beaches.
9. **Board** means the Board of Trustees of the Incline Village General improvement District.
10. **Card Holder** means the person who is in possession of a Recreation Punch Card.
11. **Commercial Tenant** means an individual or corporation who rents, or leases, a commercial property for the purposes of conducting business or commercial activity.
12. **Consanguinity** means a blood relationship.
13. **County** means the County of Washoe, Nevada.
14. **Director of Parks and Recreation** means the person appointed as the department head of the Parks and Recreation Department.
15. **District** means the Incline Village General Improvement District (acting through its duly authorized officers or employees within the scope of their respective duties).
16. **Family** means a social unit consisting of people related to the property owner by marriage and to the extent of the first and second degrees of consanguinity and affinity, including parents, children, grandparents, grandchildren, brothers and sisters, and their spouses. *(See attached Exhibit A.)*
17. **General Manager** means the person appointed by the Board of Trustees as the General Manager of the District.
18. **Owner** means any person owning fee title to the property, or portion thereof, or any person in whose name the legal title to the property appears, in whole or in part, by deed duly recorded in the County Recorder's office, or any person exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.
19. **Parcel** means a single plot of land with or without a dwelling on it, or a single unit within a multi-unit residence as defined by the District Recreation Roll.
20. **Pass Holder** means an individual who has been issued a Recreation Pass.
21. **Recreation** means any leisure or sports facility, program, or service owned, operated or provided by the District, including, but not limited to, beaches, parks, playgrounds, athletic fields, trails, Nordic and alpine ski areas, golf courses, recreation centers, tennis courts, swimming pools, sports leagues, contests, events, classes, and special events.

22. **Recreation Punch Card** means the transferable punch card issued by the District to eligible parcel owners and/or their assignees that can be used to pay the difference between the resident rate and the retail or nonresident rate for access to various District recreation facilities and bears a face value established by the Board. The District can sell additional Recreation Punch Cards to eligible parcel owners or assignees for their personal use as provided in Article VIII, Item 69 herein.

23. **Recreation Fee** means the annual Recreation Standby and Service Charge assessed by the District to finance recreation programs and facilities.

24. **Recreation Pass** means the non-transferable photo identification pass issued by the District for free access to District beaches and for hourly, daily, and seasonal discounts at District-owned recreation facilities. Subject to the familial limitations described herein, the District can sell additional Recreation Passes to eligible parcel owners, residents or assignees for their personal use as provided in Article VIII, Item 69 herein. Additional Recreation Passes sold cannot be used to obtain a resident discount at the District-owned golf facilities.

25. **Recreation Privilege** means any privileges of recreation access or special rates afforded to pass holders or card holders, including the privilege to provide admission for guests.

26. **Resident** means any individual maintaining residence within the boundaries of the District as constituted by law.

ARTICLE III. RECREATION PRIVILEGE ELIGIBILITY

27. **Eligible Parcels**. Each District parcel which is assessed a recreation fee, is eligible to receive recreation privileges so long as the assessment on that parcel is current.

28. **Fees Kept Current**. All property taxes, special assessments and recreation fees on a parcel must be paid for the current and prior years to maintain the parcel's eligibility for recreation privileges. The District Recreation Fee must be paid by October 1 of the year billed in order to continue receiving recreation privileges.

29. **Resident Eligibility**. All residents are eligible for an assignment of recreation privileges, provided that they have proof of residency.

30. **Available Privileges**. Every eligible parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards.

ARTICLE IV. APPLICATION PROCEDURES

31. **Application**. Application for recreation privileges must pertain to a specific, eligible parcel. An application will be accepted when filed on the Application Form provided by the District; when accompanied by proof of ownership as set forth in Section 32; and when signed by any owner of the parcel. The form must be filed with the District's Parks and Recreation office, in person, by fax, or by mail, prior to any issue of recreation privileges as provided by this ordinance.

32. **Proof of Ownership.** Proof of ownership shall be made in one of the following forms:

- (a) Written copy of legal deed of title.
- (b) Confirmation of ownership by the District from the County Assessor's office.
- (c) Confirmation of ownership by the District from a local title company.

33. **Proof of Residence.** Proof of residence shall be made in one, or more, of the following forms:

- (a) Written copy of legal lease signed by parcel owner, or authorized agent.
- (b) Valid Nevada Driver's License indicating current street address.
- (c) Verifiable copies of current utility (phone, electric, water and sewer, etc.) bills in assignee's name.
- (d) Valid Washoe County, Nevada, voter's registration card.

34. **Proof of Commercial Tenancy.** Proof of commercial tenancy shall be made with the submittal of a written copy of legal lease signed by the parcel owner, or authorized agent.

Confirmation must be by written document. Written documents need not be certified; however, the District may require further confirmation of uncertified documents.

35. **Application Acceptance.** Application will not be accepted on any parcel if another valid parcel owner or resident application already exists on that parcel. Any application will expire with a change of ownership, residency or tenancy where no party listed on the application continues ownership, residency or tenancy.

36. **Application Approval.** Upon review and verification of the application by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the application. It is the applicant's responsibility to provide the District with all information required for approval.

37. **Application Amendment.** To update information on the application, an approved application may be amended by any verified owner of the parcel, whether or not that owner signed or submitted the original application form.

ARTICLE V. ASSIGNMENT OF PRIVILEGES

38. **Assignment Procedures.** Assignment of recreation privileges will be accepted when filed on the Assignment Form and when accompanied by an approved application, or when an approved application is already on file, and when signed by any owner listed on the application

or any listed owner's designated agent. The assignment form must be filed with the District's Recreation office, in person, by fax, or by mail.

When there is an assignment of recreation privileges, the property owner and assignor shall be jointly and severally liable with assignee(s) respecting any sums of money assignee(s) owes the District related to the use of recreation facilities, including the use of all District-owned meeting facilities.

39. Agent Designation Any Owner listed on an approved application may designate an agent by filing and executing an Agent Authorization Form. An owner may only designate one agent. The agent form must be filed with the District's Parks and Recreation office, in person, by fax, or by mail. Upon review and verification of the agent form by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the form. It is the owner's responsibility to provide the District with all information required for approval.

40. Multi-Parcel Agent Designation. If one agent is to serve as a representative of all units in a multi-parcel complex, an Agent Authorization Form signed by the president of the appropriate homeowners' association and a petition signed by owners representing at least two-thirds (2/3) of the affected parcels must be filed with the District's Parks and Recreation office, in person, by fax, or by mail.

41. Assignment Acceptance. Assignment will not be accepted, on any parcel, if another valid assignment already exists on that parcel. Assignment will expire with a change of ownership, where no party listed on the application continues ownership.

42. Privileges Assignable - Residential Parcels. Every eligible residential parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards. A Recreation Pass may be assigned to any property owner's eligible family member, or resident, or resident's eligible family member.

43. Privileges Assignable - Commercial Parcels. Every eligible commercial parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards. A Recreation Pass may be assigned to any property owner's family member, commercial tenant principal, or commercial tenant corporate officer.

44. Assignment Approval. Upon review and verification of the assignment by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the assignment. It is the owner's or agent's responsibility to provide the District with all information required for approval.

45. Assignment Amendments. To update information, the assignment may be amended, and may only be amended, by the person signing the original assignment form. Provided, however, that any owner listed on the approved application or a designated agent of any listed owner may add names of persons to be assigned recreation privileges, to the extent additional privileges are available.

ARTICLE VI. RECREATION PASS

46. A **Recreation Pass**, subject to the other conditions and restrictions of this recreation pass ordinance, provides the pass holder:

- a. free admission to all District-owned beaches; and
- b. reduced season pass rates, at District-owned ski and tennis facilities; and
- c. reduced daily rates at District-owned golf, ski and tennis facilities; and
- d. reduced yearly, quarterly, monthly, or weekly membership rates at District-owned Recreation Center; and
- e. reduced daily rates at the District-owned Recreation Center; and
- f. reduced rates for the rental of the Chateau, Aspen Grove Community Building, Diamond Peak Ski Lodge, Recreation Center, and District-owned athletic fields; and
- g. watercraft launching access at the District-owned boat ramp, for a fee; and
- h. guest access to District-owned beaches for a fee; and
- i. any other recreation privileges determined by the Board.

47. **Term of Pass Issuance**. The Recreation Pass of any person will be limited to a term of not less than six (6) months or more than five (5) years. If no term is specified, the minimum term shall apply.

48. **Pass Expiration**. A Recreation Pass expires when:

- a. the stated expiration date has been exceeded; or
- b. the parcel changes ownership; or
- c. the pass is withdrawn or reassigned to another individual by the owner or his agent; or
- d. payment of the District Recreation Fee is delinquent, or
- e. the pass is voided pursuant to this ordinance.

49. **Ability to Transfer**. All Recreation Passes shall be issued for the sole use of the pass holder and are non-transferable.

50. **Responsibilities of Pass Holder.** It is the responsibility of the pass holder to:
- a. renew his pass on or before the expiration date shown on the pass;
 - b. report lost, stolen, or destroyed passes;
 - c. return all valid passes when eligibility to use passes has expired or when asked by the District to surrender the passes;
 - d. be responsible for the conduct of his/her guests and for any liability resulting from the guests' use of the District's facilities, or the guests' presence in, or at, the facilities.
51. **Lost/Stolen Recreation Pass.** A charge of \$15.00 per pass will be assessed to replace any Recreation Pass that is lost or stolen prior to its date of expiration.
52. **Reassignment Fee.** Reassignment will not be allowed within the initial six months of pass issuance except for the following conditions: (a) the parcel on which the pass is issued changes title; (b) the passholder is deceased; and (c) other circumstances that the Director of Parks & Recreation deems appropriate. In the event of a reassignment where the issued passes are not returned, there will be a charge of \$15.00 per pass assessed to the parcel owner. New passes will not be issued for any other individuals unless this fee is paid or the passes are returned.
53. **Ownership Transfer Fee.** A charge of \$25.00 per parcel will be assessed to the new owner of a parcel if the Recreation Passes issued on the parcel are not returned to the District when a property changes ownership.

ARTICLE VII. RECREATION PUNCH CARD

54. A **Recreation Punch Card** provides the cardholder with a face value of recreation privileges, determined by the Board, which may be applied toward:
- a. the difference between the resident rate and the guest rate for daily beach access, daily boat and jet ski launching; and
 - b. the difference between the resident rate and the retail or nonresident rate for daily access to the District-owned golf, ski, recreation center, and tennis facilities; and
 - c. the difference between the resident rate and the retail or nonresident rate for any other recreation use fee or rental fee as may be determined by the Board.
55. **Expiration Date.** Recreation Punch Cards shall have a term of one year beginning on May 1. All Recreation Punch Cards expire on the first April 30th following the date of issuance, regardless of when issued during the course of that year.
56. **Transferability.** Recreation Punch Cards are issued against the parcel and are transferable to anyone.

57. **Replacement.** Recreation Punch Cards will not be replaced if lost, stolen, destroyed or used up.

58. **Exchange for Recreation Pass.** Once the Recreation Punch Card is used, it can be exchanged for a Recreation Pass only if all amounts that appear to be punched are paid for by the card holder and a \$15.00 invalidation fee is paid to the District.

59. **Refund.** The Recreation Punch Card has no monetary exchange value and therefore cannot be returned to the District for any form of refund or credit, except as provided in paragraph 58 hereof.

ARTICLE VIII. GENERAL USE REQUIREMENTS

60. **Use of Recreation Pass and/or Card at Golf.** A maximum of five (5) Recreation Passes per parcel can be used to obtain discounts for daily access for the District-owned golf courses. No other Recreation Passes can be used to obtain daily discounts at the District-owned golf courses, beyond the five.

61. **Recreation Pass or Card Ownership.** All Recreation Passes and Cards are the property of the District and must be returned upon request, and/or upon the loss of eligibility by the pass holder or card holder.

62. **Deed Restrictions.** Parcels annexed to the District after May 30, 1968, are not eligible for District beach access as per deed restrictions listed on the beach property.

63. **Assumption of Risk.** The pass holder or card holder assumes all risk of personal injury to himself and loss of, or damage to, his personal property resulting from use of the recreation facilities.

64. **Fraudulent Use.** False or misleading information to obtain a Recreation Punch Card or Recreation Pass, or any fraudulent use of such card or pass, will be grounds for voiding all recreation privileges issued against the parcel. The District reserves the right to pursue any other legal action.

65. **Selling of Recreation Privileges.** It is strictly forbidden for any individual to sell an assignment of Recreation Privileges, or to sell individual Recreation Passes or Recreation Punch Cards. Any such sales of privileges, passes, or cards is considered to be fraudulent use and will be grounds for voiding all recreation privileges issued against the parcel. The District reserves the right to pursue any other legal action.

66. **Misconduct.** Use of the District's facilities by any pass holder or card holder is a privilege. For misconduct, a pass holder or card holder may be removed from the facilities and/or his/her privileges, including the immediate confiscation of the Recreation Pass or Recreation Punch Card, may be suspended for any period deemed appropriate by the District or those privileges may be revoked, at the District's sole discretion. Misconduct includes but is not limited to:

a. failure to abide by any rule, policy, procedure, or regulation established by the District and all such supplemental rules, policies, procedures, or regulations established for each recreational facility; or

b. violation of any law or ordinance; or

c. disorderly and/or abusive behavior; or

d. excessive or improper use of alcohol and/or drugs; or

e. vandalism or any other form of property damage.

The parent(s), conservator, or guardian of a child who engages in willful misconduct may be jointly and severally liable for the resulting damage. (NRS 41.470, as amended.)

67. Disciplinary Procedures for Misconduct.

a. **Incident Report.** An employee may, in a timely fashion, submit a written incident report of facts within that employee's own, personal knowledge concerning the alleged misconduct of a user, regardless of whether that user was removed from the premises for that same alleged misconduct.

b. **Removal.** Under exigent circumstances, a District employee may remove a user from District property, with or without the assistance of the Washoe County Sheriff's Office. Exigent circumstances include but are not limited to a threat of bodily harm, to him/herself or others, a risk of property damage, and/or a persistent refusal to obey the law and/or policies and procedures, or regulations of the District.

(1) Washoe County Sheriff Assistance. The District may request at any time the assistance of the Washoe County Sheriff's Office in maintaining order.

(2) Incident Report. The employee(s) involved in the removal shall file an incident report with the department head of that facility within 24 hours of the occurrence.

c. **Suspension, Revocation, or Other Disposition.**

(1) **Department Head.** Within a reasonable time following receipt of an incident report, the Department Head may determine that sufficient evidence of serious misconduct exists, indicating adequate grounds for suspension or revocation of privileges. Upon such an assessment, the Department Head shall provide the user with written notice of the accusation(s) and the possible sanction/penalty which may result. The notice shall also provide the user with the date, time and place at which the user may appear before the Department Head and the accusing employee(s), to respond to the claims and to explain the user's position concerning the incident.

(a) **Notice.** The written notice shall be signed by the Department Head and mailed, certified return receipt requested, to the District's record address of the user. Attached to the notice shall be a copy of the incident report(s). If the user is a minor, an additional copy of the notice shall be mailed to the parent(s) or person(s) in loco parentis of the user-child.

(b) **Hearing.** Within five (5) business days of mailing the written notice, unless otherwise agreed by the Department Head and the user, the Department Head shall hold a hearing to determine the accuracy of the representations contained in the Incident Report and to determine what, if any, further action shall be taken by the District. At this hearing, the employee(s) bringing the charges shall provide testimony and the user shall have opportunity to respond and explain. At the close of the hearing, the Department Head may render his/her opinion orally or take the matter under submission. The Department Head shall deliver a written decision concerning the allegations and any resulting suspension or revocation within two (2) business days following the hearing.

(c) **Decision.** The Department Head shall include findings of facts, conclusions of misconduct, and sanction/penalty, if any imposed, in the decision; additionally, the Department Head shall inform the user in the decision of the user's right to appeal the decision to the District's General Manager. Such disposition shall include, but not be limited to, the following: suspension, revocation, reprimand (oral or written), or a determination of no action of no misconduct.

(d) **Notice of Appeal.** In order to avail him/herself of the right to appeal to the General Manager, the user must so inform the General Manager by letter delivered to the District's Administrative Building (located at 893 Southwood Boulevard, Incline Village, NV 89451) within two (2) business days of issuance of the written opinion.

(2) **District General Manager.** Within five (5) business days of the user's notice of appeal letter, the General Manager shall hear the user's appeal. Also at this hearing shall be the charging employee(s) and the deciding Department Head, to respond to the user's assertions. The General Manager shall render his/her written decision within two (2) business days of the appellate hearing. In the decision, the General Manager shall uphold, modify, or reverse, in whole or in part, the Department Head's decision. The General Manager shall advise the user in this written decision of the user's right to appeal the General Manager's decision to the District's Board of Trustees. In order to avail him/herself of the right of final appeal to the Board of Trustees, the user must so inform the Board by letter delivered to the District's Administrative Building (located at 893 Southwood Boulevard, Incline Village, NV 89451) within five (5) business days of issuance of the written opinion from the General Manager.

(3) **Board of Trustees.** The Board of Trustees shall hear the user's duly agendized appeal at the Board's next regularly scheduled public meeting. (NRS 241.030 (3) (d): nothing contained in the Chapter 241 shall require that any meeting be closed to the public.) Also at this hearing shall be the charging employee(s), the deciding Department Head, and General Manager, to respond to the user's assertions. The Board shall render its decision at this

hearing. By its decision, the Board shall uphold, modify, or overturn, in whole or in part, the General Manager's decision. The Board's decision is final.

d. **Right of Representation.** The user may enlist the assistance of legal counsel, of the user's choice and at his/her expense, at any and all stages of these proceedings.

e. **Reservation.** Nothing herein shall preclude the District from utilizing any and all legal and/or equitable remedies, in the stead of or in addition to the present procedure.

68. **Other Issuance.** Nothing in this ordinance shall prevent the District from issuing recreation privileges to employees, former Board members, or anyone else, in the past, present or future, as approved by the Board of Trustees.

69. **Purchase of Additional Recreation Passes or Cards.** If any owner wishes to purchase additional Recreation Passes or Recreation Punch Cards, the owner may do so by paying an additional fee equal to one-fifth of the current District Recreation Fee for each Pass or Card for the parcel in question. Additional Recreation Passes are valid for a period of one (1) year from the date of purchase, unless they expire on an earlier date as provided in paragraph 48 hereof. Additional Recreation Passes can only be purchased for eligible family members of parcel owners or residents. Additional Recreation Punch Cards are valid from the date of purchase until the first April 30th following the date of purchase and can be used by any individual. Additional Recreation Passes or Cards cannot be purchased for commercial parcels and their tenants. An application for additional recreation passes or cards must be filed with the District's Parks and Recreation office.

70. **Personal Identification.** Prior to issuance of any recreation privilege, identification of the person receiving the privilege may be required in the form of a valid photo identification card, such as an automobile driver's license.

71. **Administration.** The General Manager may from time to time adopt, amend, or rescind rules consistent with this ordinance. The General Manager shall hold the final authority to interpret this ordinance and rules adopted thereunder. Such authority shall include the application of this ordinance and rules to specific people, parcels, and circumstances. The day-to-day administration of this ordinance is hereby delegated to the Director of Parks and Recreation.

ARTICLE IX. AMENDMENTS

72. **Modification of Privileges.** The recreation privileges issued under this ordinance shall be modified by the terms of any amendments to this ordinance subsequently adopted by the Board. Nothing in this ordinance shall be deemed to limit the Board's discretion to modify the terms of this ordinance or the application of any such modification to Recreation Passes, Recreation Punch Cards and other recreation privileges outstanding, including alterations in the terms or expiration dates thereof.

73. **Effective Date.** The effective date of this ordinance was January 1, 1988. The terms of this ordinance applied to all recreation privileges that were outstanding on that date. The

Director of Parks and Recreation is empowered to determine how to administer the application of this ordinance to existing privileges. The effective date of this amendment shall be March 26, 1998.

FAMILY TREE

Relationship #	PROPERTY OWNER		Relationship #	SPOUSE OF PROPERTY OWNER
0	OWNER/CO-OWNER	FIRST DEGREE	00	OWNER/CO-OWNER
1	MOTHER		7	MOTHER
2	MOTHER'S SPOUSE		8	MOTHER'S SPOUSE
3	FATHER		9	FATHER
4	FATHER'S SPOUSE		10	FATHER'S SPOUSE
5	CHILDREN		11	CHILDREN
6	CHILD'S SPOUSE		12	CHILD'S SPOUSE
13	GRANDMOTHER	SECOND DEGREE	23	GRANDMOTHER
14	GRANDMOTHER'S SPOUSE		24	GRANDMOTHER'S SPOUSE
15	GRANDFATHER		25	GRANDFATHER
16	GRANDFATHER'S SPOUSE		26	GRANDFATHER'S SPOUSE
17	GRANDCHILDREN		27	GRANDCHILDREN
18	GRANDCHILD'S SPOUSE		28	GRANDCHILD'S SPOUSE
19	SISTER		29	SISTER
20	SISTER'S SPOUSE		30	SISTER'S SPOUSE
21	BROTHER		31	BROTHER
22	BROTHER'S SPOUSE		32	BROTHER'S SPOUSE

EXHIBIT "G"

3 pages

From: Eick, Gerald W. <gwe@ivaid.org>
To: cfdobler <cfdobler@aol.com>
Sent: Thu, Sep 10, 2015 11:20 am
Subject: RE: Rec Fee transfer from Community Service Fund to Beach Fund

Cliff:

The amounts for beach entries for 2012-13 was \$371,956, for 2013-14 \$380,072 for 2014-15 \$376,792.
The budget for 2015-16 estimated the average at \$375,000.

Gerry Eick
What gets Measured Gets Managed.

From: Eick, Gerald W. <gwe@ivgid.org>
To: cfdobler <cfdobler@aol.com>
Subject: RE: Rec Fee transfer from Community Service Fund to Beach Fund
Date: Thu, Sep 10, 2015 10:18 am

Cliff:

The entry would be :
Community Services Fund Punch Card Allowances \$10.56
Beach Fund Punch Card Allowances \$ 1.44
Beach Fund Guest fee revenue \$12.00
Beach Fund due from cash pool \$10.56
Community Services due to cash pool \$10.56
Cash Pool due to Beach \$10.56
Cash Pool due from Community Services \$10.56
Gerry Eick
What gets Measured Gets Managed.

From: cfdobler@aol.com [mailto:cfdobler@aol.com]
Sent: Wednesday, September 09, 2015 1:34 PM
To: Eick, Gerald W.
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

I sent to you the below e mail on September 2, 2015, but I have not had a response. This is the 2nd request.

From: cfdobler@aol.com [mailto:cfdobler@aol.com]
Sent: Wednesday, September 09, 2015 1:36 PM
To: Eick, Gerald W.
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

I have not had a response to the question I asked below on August 31, 2015. Could I please obtain a response.

thank you

From: cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Wed, Sep 2, 2015 6:35 am
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

Gerry - Based on the request of the attorney present in the August 27th meeting, I have decided to move forward with a report on accounting for punch card allowances and send it to the audit committee. Since the accounting change to account for punch card allowances began in the 2012-2013 fiscal year, could you please send me the exact amount of cash which was transferred from the Community Service Fund to the Beach Fund for the fiscal years 2012-2013, 2013-2014, 2014-2015 and the budget for 2014-2016. In the meeting you had indicated it was approximately \$300,000 per year and at our lunch you had indicated about \$375,000. We need the exact numbers. Your prompt response will help put this subject to bed

Thanks for your help

cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Mon, Aug 31, 2015 8:40 pm
Subject: Re: Rec Fee transfer from Community Service Fund to Beach Fund

I am having trouble understanding the statement below.

Lets try this another way

if a sale for admission to the Beach is for a resident's guest and is \$12.00 and a punch card was used, and since the Resident rate per Ordinance 7 is free admission then the buy down (Punch Card Allowance) would be \$12.00

Please explain the accounting entry on the general ledger to record the sale, the punch card allowance and any cash transfer for both the Community Service Fund and the Beach Fund. If there are two entries or more please explain.

A debt and credit analysis would be appreciated.
Thank you very much.

From: cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Mon, Aug 17, 2015 4:21 pm
Subject: Re: Rec Fee transfer from Community Service Fund to Beach Fund

Could you please provide an answer to my question. What were the actual allowances by each venue.

cliff

From: Eick, Gerald W. <gwe@ivgid.org>
To: cfdobler <cfdobler@aol.com>
Sent: Mon, Aug 17, 2015 6:44 am
Subject: RE: Rec Fee transfer from Community Service Fund to Beach Fund

Cliff:

Which fund pays for the punch card utilized is the 88% and 12% allocation based on the relationship of the facility for Community Services and the Beach Funds. The seller of the service gets 100% of that utilized amount. Yes, the Beaches receive the substantial portion of punch card usage.

Gerry Eick
What gets Measured Gets Managed.

From: cfdobler@aol.com [<mailto:cfdobler@aol.com>]
Sent: Friday, August 14, 2015 9:15 AM
To: Eick, Gerald W.
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

I think my below request needs some clarification. Since the total punch card allowances fro 2015-2016 is established and has been allocated based on an 88% to community services and 12% to Beachs. However based on our discussion the actual allowances given at each venue may be quite different that the allocation. Let us look at the actual allowances given on punch cards at each of the Community Service and Beach venues. Based on our conversation the majority of the allowances were at the beach and exceeded the 12% allocation. As such the Community Service Fund would have to write a check to the Beach Fund to book the gross sales in excess of the allocated allowance.

Thanks

From: cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Thu, Aug 13, 2015 10:20 am
Subject: Rec Fee transfer from Community Service Fund to Beach Fund

I enjoyed discussions last night.

I need to know as of the year ended 6/30/2015 and the budget for 2015-2016 how much of the Punch Card Allowances in the Community Services Fund was and is budgeted to be transferred to the Beach Fund and recorded as sales and Fees.

Thanks Cliff

Memorandum

January 6, 2021

To: Indra Winquest

From: Cliff Dobler

CC : Audit Committee via Chairman Dent , Paul Navazio

Re: Budget manipulations - WRRF Aeration Systems Improvements Project #2599SS1707

IVGID management on many occasions has used the carryover budget provisions to add unbudgeted resources for a project which are not approved by the Board of Trustees and not in accordance with Board Policies and Practices.

The WRRF Aeration System Improvements is a clear example of the abuse. In fiscal year 2018, the project was initiated to design and install three large Blowers at the Waste Water Treatment Plant and a \$50,000 budget was approved for design. Nothing was spent and the \$50,000 was carried over into fiscal 2019 and an additional \$100,000 was budgeted. During 2019, two sole source design contracts were issued to CH2M- Hill for \$120,000, however, \$133,791 was spent. Logic should have prevailed that the budget carryover into fiscal 2020 would only be the remaining unspent budget of \$16,209 (\$150,000 less \$133,791). Instead IVGID management decided to carry forward \$100,000 and created a project cost overrun of \$83,791. The cost overrun was impossible since the available budget was \$150,000 and only two contracts were issued for \$120,000. A cost overrun never existed. As such, an additional budget of \$83K was created out of thin air and not even noticed let alone approved by the Board. IVGID management does not consider appropriate cumulative budget reporting. As a result the original 2018 budget of \$50,000 and the \$83,791 in cost overruns are no longer considered a part of the overall project reporting in future years.

In 2020 an additional \$1,200,000 was budgeted bringing the budgeted resources to \$1,300,000. In November, 2019 a construction contract along with other items were approved for \$1,728,500 and an additional \$38,000 approved to complete the design. Since the budget was short, the Board approved an additional \$466,500 in resources by transferring resources from other projects. The total cumulative budget was \$1,816,500, however, IVGID only recognized \$1,766,500 which excluded the 2018 original \$50,000 budget.

The current Draft Summary of CIP Activity by Project for the Fiscal Year ending June 30, 2020 indicates that \$133,791.30 was spent in 2019, \$329,758.73 was spent in 2020 and a carryover amount of \$1,598,534.00 was created and carried over into fiscal 2021. The combined amounts are \$2,062,084 which exceeds ALL of the project budgets of \$1,816,500 (Exhibit "A"). By manipulating the carryover amounts an additional \$242,584 of budget was created without any

review or knowledge by the Board of Trustees. These manipulations create a backdoor method of increasing project budgets allowing unauthorized additional expenditures to take place.

For projects that gap two fiscal years, IVGID management must estimate the annual project expenditures approximately two months prior to the end of that year. Poor estimating can create major disparities in a carryover budget. This Aeration project is a good example. According to form 4404LGF filed with the State in July 2020, the project expenditures for fiscal year 2020 were listed as only \$167,976, so the difference between the budget of \$1,766,500 and the expenditures was \$1,598,534 and hence became the carryover budget in the 2021 budget. Expenditures for 2020, however, ended up being \$329,758.73. resulting in a estimating miss of 100%. Why? Who knows. The problem is the carryover should have been reduced to \$1,436,741 to reflect the higher expenditures. This is never done. The estimated carryover, however, becomes the new reality and the extra budget created by misstating the carryover can be spent on anything that IVGID's management wants to stick into the project. The carryover is never reduced or adjusted and becomes a permanent part of the 2021 budget.

An interested Board and honest management would not allow this to occur and would require approval of adjustments to the annual budgets once expenditures are firmed up at the end of a fiscal year. Adjustments could be made within 90 days after the end of a fiscal year and should be placed as a Board Agenda item and approved by the Board. Any excess carryover amounts should be reclassified into Fund balance.

Since there is no Board Policy or Practice providing guidance on this abuse, it will continue in the future. The Effluent Pipeline Phase II is an excellent example of major abuses of using carryover budgets for unrelated projects.

I believe it is time to establish proper Policies and Practices to account for multiyear projects. Board Practice 13,2,0 addressing capital planning and capital expenditures is totally inadequate and poorly written .

Exhibit "A" - Worksheet on entire budget and existing and planned expenditures

EXHBIT "A"

Incline Village Genreal Improvement Distirct

WRRF Aeration System Improvements # 2599SS1707
 total approved budget and actual and planned expenditures
 as of June 30, 2020

	<u>Budget</u>	<u>Actual and Planned Expenditures</u>
Fiscal 2018	\$ 50,000	None
Fiscal 2019	100,000	133,791
Fiscal 2020	1,200,000	329,759
2020 used from Reserves	466,500	
Carryover to fiscal 2021		1,598,534
Total	<u>\$ 1,816,500</u>	<u>\$ 2,062,084</u>
Difference	\$ 245,584	Implied Cost Overrun

MEMORANDUM

January 6, 2021

To: Indra Winquest

From: Cliff Dobler

CC: Audit Committee - Via Matt Dent - Chairman and Paul Navazio

Re: General Fund 2019 Capital Projects - Cost overruns on IT infrastructure - Project #1213CO1505

The budget for fiscal year 2019/2020 provided \$132,800 for the above referenced project which consisted of 5 items with the main theme of creating a "Cluster" (Exhibit "A"). The total costs expended during the year was \$201,356.60 which exceeded the Budget by \$68,556.60 or 33%. To my knowledge nothing was brought to the Board of Trustees to approve the cost overrun nor to augment the Budget. It is also unknown if all of the budgeted work was actually complete at the end of fiscal year 2020.

This appears to be a major breakdown in internal controls. If the work was performed but piecemealed into several contacts then Policy 3.1 would not be applicable. A review of the Board responsibilities for capital expenditures under Practice 13.2.0 indicates an absolute violation by management in complying with the Board Practice.

Board Practice 13.2.0 established that each line item in the Capital Improvement Budget is a separate project and identified. Under section 2.0 of the Policy, **Capital Project Financing Resources**, (Exhibit "C") "the Board of Trustees must establish resources with a preference for each project (section 2.1)". As such, when a capital project has an identifiable and predictable financing resource then under section 2.5 **Exclusivity**, *that financing resource for a project can only be used for that project.*

Below is a summary of the results of the 2020 General Fund Capital Projects

- Three (3) projects were carried forward from fiscal 2019 for \$210,000
- Nine new projects were budgeted for \$485,445
- The total budget was \$686,445.
- Seven projects budgeted for \$447,645 had no expenditures and only ONE project (Human Resources Software) for \$300,000 was carried forward into fiscal year 2021.
- The remaining six projects budgeted for \$147,645 just disappeared, were never brought to the Board for cancelation, nor carried forward into fiscal 2021.
- In effect, the available budget for expenditures was only \$238,800 (\$686,445 less \$447,645 of budgets for projects not started).
- Spending was \$279,424 so the available budget was exceeded by \$40,624.

IVGID management believes that a **project** budget which is NOT started, NOT cancelled, and NOT carried over can be used to cover cost overrun on other projects. In their opinion the budget is established by FUND, contrary to Board Practice. This belief of reporting allows management to have no accountability and allows reckless spending without any constraints. In the past a project has not been done, the budget not carried over but comes up for budgeting in a future fiscal year. i

Nothing is brought to the Board for approval, no final annual report produced and nothing is done other than the Board providing an open check book. In 2019, CIP reporting was a major concern of the Board to establish a proper annual CIP report. As of now, six months after the end of fiscal year 2020, NO CIP report has been produced.

To make matter worse, one project "PC, Laptops, Peripheral Equipment and Desk Top Printers #1213CO1703"(Exhibit "B") had a budget of \$95,000 with an unknown quantity of items to be purchased. Only \$59,869 was spent and nothing was carried over into fiscal 2021. It is unknown how the expenditures matched up against the budget based on quantities . I doubt all items budgeted were purchased, so a carryover should have been required.

IVGID reporting of proper budgeting and expenditures remains in disarray and Board Policies and Practices are not followed. Internal controls do not exist.

Exhibit "A" - Project Summary - IT Infrastructure

Exhibit "B" - Project Summary - District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers

Exhibit "C" - Board Practice 13.2.2.0 - Capital Project Financing Resources.

NOTE - Cost information taken from Draft Summary of CIP Activity by Project for fiscal year 6/30/2020

EXHIBIT "A"



Project Summary

Project Number:	1213CO1505
Title:	IT Infrastructure
Project Type:	G - Equipment & Software
Division:	13 - Information Services
Budget Year:	2020
Finance Option:	
Asset Type:	CO - Computer Equipment
Active:	Yes

Project Description

During 2014-15 the District replaced substantially all of its networks servers, switches and ancillary support equipment. Various service lives will be experienced that are likely to extend beyond the technological useful life of this equipment. Only time will tell which will dictate a replacement, based on end of life or technological incompatibility. For the purposes of this project, timing will be set by expected service life.

Project Internal Staff

IT staff will conduct annual evaluations of the condition of equipment and the relationship of operating software and platforms to compatibility and effectiveness for how the systems are used and operated.

Project Justification

The District has committed to building and maintaining a redundant private cloud operation. Reliable equipment utilizing current technology and operating systems is a key feature to having IT networks that supports all operations 24/7/365.

Forecast

Budget Year	Total Expense	Total Revenue	Difference
2020			
Admin (2) Support Sever for the Cluster	29,900	0	29,900
Admin Host Server for the Cluster	17,250	0	17,250
License SQL Server and Related CALS	50,000	0	50,000
PW (2) Support Server for the CLuster	18,400	0	18,400
PW Host Server for the Cluster	17,250	0	17,250
Year Total	132,800	0	132,800
2021			
21 POE Switches	70,500	0	70,500
Admin Backbone Switch	14,600	0	14,600
PW Backbone Switch	6,700	0	6,700
Year Total	91,800	0	91,800
2022			
Admin Storage Net App	46,000	0	46,000
PW Storage Net App	46,000	0	46,000
Year Total	92,000	0	92,000

EXHIBIT "B"



Project Summary

Project Number:	1213CO1703
Title:	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers
Project Type:	G - Equipment & Software
Division:	13 - Information Services
Budget Year:	2020
Finance Option:	
Asset Type:	CO - Computer Equipment
Active:	Yes

Project Description			
District wide, various offices and venue operations utilize approximately 200 personal computers, up to 50 laptops, at least 100 peripheral devices such as receipt printers and specialty screens and 50 desk top printers. The District supports user levels as super , basic and specialty profiles for computers and related devices. Printers for the most part are black ink for letter size images. Several do have additional features that are necessary for their particular programming such as tournaments and events. These printers were purchased expecting a use life of at least 5 years. Some may be longer depending on the nature of the volume for that venue. Maintenance of the comprehensive list of printers is under one agreement.			
Project Internal Staff			
The IT Technician will oversee the maintenance of these personal computers and peripheral devices, and the printers which includes the monitoring their care and condition for eventual replacement. The IT Network Administrator monitors the number of users and circumstances under which laptops and the printers are available on the network or dedicated to a user or program.			
Project Justification			
The approach to replacement is to evaluate the care and condition of each item, placed into the context of program needs. When devices are shared over seasons, we also consider the number of users sharing a device. Historically PC's and peripheral have been used for up to 10 years. We are considering the future to be 5 to 7 years driven mostly by compatibility to network operating systems. We have printers that are from 1 to 18 years in service. We will continue to utilize a printer as long as it can be supported by operating systems, security, and supplies. We will match capacity needs to device type and look for opportunities to convert multiple devices to "all-in-ones" to eliminate individual faxes and scanners. Each proposed replacement device will be based on industry comparisons for functionality and capacity as well as compatibility with the existing machines to maintain the benefits of scale and volume for the service and supply purchases. We have small, medium and large printer devices ranging in price at \$250, \$500 and \$900.			
Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2020			
ADD HR Recruiting Laptop	900	0	900
Hard drives and other component replacements	8,000	0	8,000
Laptops greatest need replacements	10,000	0	10,000
Peripheral Specialty Printers, Scanners and Screens	16,500	0	16,500
Personal computers and software greatest need replacements	55,000	0	55,000
Printers greatest need replacements	4,600	0	4,600
Year Total	95,000	0	95,000
2021			
Hard drives and other component replacements	8,000	0	8,000
Laptops greatest need replacements	10,250	0	10,250



**Capital Planning
Capital Expenditures
Practice 13.2.0**

RELEVANT POLICIES: 1.1.0 Strategic Planning, 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting

1.0 AUTHORITY

Decision-making responsibilities and duties on capital projects shall be allocated by the General Manager to specific members of the IVGID staff as provided herein. The staff member so assigned may delegate "duties" to another, but shall remain "responsible" for their actions pertaining to the project.

A Project Manager will usually be a representative of the IVGID department which will acquire or construct the project. The Project Manager may seek the input or assistance of a representative of the IVGID department that will utilize the capital asset. A planner, analyst, designer, or construction representative usually reports to the Project Manager as an employee or through a contract for services.

2.0 CAPITAL PROJECT FINANCING RESOURCES

Financial management of capital projects is controlled through a system including the Multi-Year Capital Improvement Plan and each fiscal year's Capital Improvement Project Budget. The ability to pay for the costs of a project will be based on identifiable and predictable financing resources at the time of acquisition.

2.1 Establishment. A capital project's financing resources may be established by action of the Board of Trustees by the adoption of a Capital Project Report. Financing resources may be established for each fund; for each program; or for each project or group of projects. The preference is on each project to facilitate calculating the affects of each project on the Multi-Year Capital Improvement Plan.

2.2 Status. All financing resources identified and received for a Capital Improvement Project shall be held in cash or



Capital Planning Capital Expenditures Practice 13.2.0

investments and shall constitute an element of fund balance or net position until expended or released by an action of the Board of Trustees.

- 2.3 Interest.** Investment earnings on a project's financing resources shall accrue to the project to the extent they were included in the Capital Improvement Project Data Sheet or are deemed needed for possible project cost adjustments. In any project where part of the financing resources came from bond proceeds, the investment earnings must be attached to the project in order to determine and comply with IRS arbitrage regulations.
- 2.4 Expenditures.** Funds identified as financing resources may only be expended by action of the Board of Trustees according to the District's Capital Improvement Project Budget. Projects carrying over from one fiscal year to another are expected to be identified during each budget process to extend spending authority and facilitate completion of the construction or acquisition of the capital assets. The General Manager has the authority to redirect the design or specifications affecting up to an aggregate of \$50,000 if it does not exceed the total approved cost of the project.
- 2.5 Exclusivity.** All financing resources identified for a project, are considered exclusively for expenditures related to that project. No expenditures or obligations shall be made related to that project which cumulatively exceeds the available balance in identifiable and predictable financing resources.
- 2.6 Changes.** The amount of funds in identifiable and predictable financing resources may be increased or decreased by action of the Board of Trustees, provided that no decrease shall occur which causes the unexpended financing resources for any project to fall below the cumulative total of obligations outstanding pertaining to the project.



Capital Planning Capital Expenditures Practice 13.2.0

- 2.7 **Close-out.** Upon completion or termination of a project, the unexpended financing resources for that project may be closed out by the General Manager, except when a previous action by the Board of Trustees, designates where the unexpended amount, if any, shall be transferred.

3.0 PROJECT LIFE CYCLE

Projects shall be managed in relation to the following typical project life cycle:

- 3.1 **Definition.** The process of developing a document which describes a specific project, in terms of location, function, cost, and other parameters. Approval of a Capital Project Data Sheet means the project has been "**defined.**"
- 3.2 **Planning.** The process of developing documents which identify the location and function of projects, in relation to other projects and existing facilities. Approval of a project plan document within an approved Capital Project Summary means the project has been "**planned.**"
- 3.3 **Feasibility.** The process of analyzing the practicality of a project, in terms of capital financing and cost, operating revenue and cost, environmental and permit conditions, and other factors. Acceptance information stated on the Capital Project Data Sheet as a feasibility report, means the project has been "**justified.**"
- 3.4 **Scheduling.** The process of developing an outline identifying the cost, timing and financing of the capital project. All capital project expenditures shall be evaluated through a Multi-Year Capital Improvement Plan and authorized for expenditure through a specific fiscal year's Capital Improvement Plan Budget. Inclusion of a project within an approved Multi-Year Capital Improvement Plan means the project has been "**scheduled.**"

Herron, Susan

From: Matthew Dent
Sent: Saturday, January 30, 2021 5:56 AM
To: Herron, Susan
Subject: Fwd: Whose Idea Was It to Come Up With the Retaliatory Provisions of the Committee's Proposed Whistleblower Procedure for Financial Matters?

Follow Up Flag: Flag for follow up
Flag Status: Completed

Please add this to the correspondence received for next meeting and distribute it the AC. Thank you, Matthew

Matthew Dent
775.530.1345

From: s4s@ix.netcom.com <s4s@ix.netcom.com>
Sent: Tuesday, January 26, 2021 4:26:41 PM
To: Dent Matthew <dent_trustee@ivgid.org>
Cc: Schmitz Sara <schmitz_trustee@ivgid.org>; Dobler Cliff <cfdobler@aol.com>; Ray Tulloch <raytulloch@munrotulloch.com>; Aaron Derreck <DCA2319@yahoo.com>; ISW@ivgid.org <ISW@ivgid.org>; Joshua.Nelson@bbklaw.com <Joshua.Nelson@bbklaw.com>
Subject: Whose Idea Was It to Come Up With the Retaliatory Provisions of the Committee's Proposed Whistleblower Procedure for Financial Matters?

Dear Chairperson Dent and Other Honorable Members of the Audit Committee -

So I'm going through the Board packet and I'm reading the proposed whistleblower procedure. Whistleblower policies/practices are supposed to provide protection for employees - not trustees, not audit committee members, not members of the public, but employees.

So why does it purport to extend to areas where IVGID has no power over? And whose idea was it?

The protections for employees are guaranteed by statute.

Statute also allows for disciplinary actions for employees for making false claims. Those should be among IVGID employee policies and practices, not Audit Committee procedures.

Second, since whistleblower statutes apply to employees, not publicly elected trustees, or Board appointed audit committee members, or members of the public, IVGID has no power to make up its own disciplinary actions against anyone other than an employee. Audit Committee members can be removed by action of the Board.

Third, since whistleblower statutes are designed to protect employees, attempts to discipline members of the public have no place in this procedure. Members of the public are guaranteed free speech. There are other remedies for false statements made by them.

So why has someone raised punitive provisions in a whistleblower procedure, and then extended those provisions to members of the public? Was that you Josh? Or how about you Indra?

Specifically I refer to the following language under "acting in good faith" at page 5 of the committee packet:

"Any allegations that prove to be made maliciously or knowingly false(ly) will be viewed as a serious disciplinary offense. For employees this may result in termination AND FOR COMMUNITY MEMBERS, IT MAY RESULT IN SUSPENSION OF THEIR RECREATION PRIVILEGES."

What government, anywhere in the U.S., retaliates against its citizens by depriving them of public services and facilities made available to all citizens, because of the words which come out of their mouths? And BTW, who is going to make the determination of what is false and what is malicious? And since when do public agencies "discipline" community members?

The focus of this practice should be how to handle complaints, no matter what the source, not on how to handle false claims or exact punishment.

Finally, since what I say here is knowingly true, I trust no one at IVGID will take away my recreational privileges.

Aaron Katz

DATE	DAY OF THE WEEK	TIME	LOCATION	TYPE OF MEETING - 2021	COMPLETED MEMORANDUMS WITH ALL BACK UP MATERIALS FOR AGENDA ITEMS FROM BOARD MEMBERS DUE DATES	ITEMS SLATED FOR CONSIDERATION
03/24	Wednesday	TBD		Special Board Meeting	03/15/2021 8 a.m.	Possible Budget Workshop #3 – Capital Budget Set date for public hearings (budget and Rec Roll)
03/31	Wednesday	6 p.m.		Regular Board Meeting	03/22/2021 8 a.m.	Diamond Peak Uniforms Contract Award (Consent Calendar) (Bandelin) Rental Skis Contract Award (Consent Calendar) (Bandelin) District Strategic Plan (first reading)
04/14	Wednesday	6 p.m.		Regular Board Meeting	04/05/2021 8 a.m.	Public Records Update (in GM report) Approval of FY2021/22 Tentative Budget
04/28	Wednesday	6 p.m.		Regular Board Meeting	04/19/2021 8 a.m.	Authorize the Burnt Cedar Pool CMAR Construction Contract (Chorey)
05/12	Wednesday	6 p.m.		Regular Board Meeting	05/03/2021 8 a.m.	Public Records Update (in GM report)
05/26	Wednesday	6 p.m.		Regular Board Meeting	05/17/2021 8 a.m.	Adoption FY2021/22 Budget (incl. Public Hearing) Approval of Rec Roll – FY2021/22 (incl. Public Hearing)
Late May- Early June	TBD	TBD		Audit Committee Meeting	TBD	Conduct advertising and interviews for appointment to Audit Committee (At-Large Member with one-year term). Appointment must be made no later than July 1, 2021.
06/09	Wednesday	6 p.m.		Regular Board Meeting	05/31/2021 8 a.m.	Public Records Update (in GM report) Raftelis Final Report (tentative date)
06/30	Wednesday	6 p.m.		Regular Board Meeting	06/21/2021 8 a.m.	
07/14	Wednesday	6 p.m.		Regular Board Meeting	07/05/2021 8 a.m.	Public Records Update (in GM report)
07/28	Wednesday	6 p.m.		Regular Board Meeting	07/19/2021 8 a.m.	
08/11	Wednesday	6 p.m.		Regular Board Meeting	08/02/2021 8 a.m.	Public Records Update (in GM report)
08/25	Wednesday	6 p.m.		Regular Board Meeting	08/16/2021 8 a.m.	
09/08	Wednesday	6 p.m.		Regular Board Meeting	08/30/2021 8 a.m.	Public Records Update (in GM report)
09/29	Wednesday	6 p.m.		Regular Board Meeting	09/20/2021 8 a.m.	
10/13	Wednesday	6 p.m.		Regular Board Meeting	10/04/2021 8 a.m.	Public Records Update (in GM report)
10/27	Wednesday	6 p.m.		Regular Board Meeting	10/18/2021 8 a.m.	
11/10	Wednesday	6 p.m.		Regular Board Meeting	11/01/2021 8 a.m.	Public Records Update (in GM report)
12/08	Wednesday	6 p.m.		Regular Board Meeting	11/29/2021 8 a.m.	Public Records Update (in GM report)

Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar

RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware

TRPA EIS Contract at Diamond Peak

Revisions to/Split Ordinance 7 (allow 45 days ahead of action)

September 1, 2021 – General Manager Performance Review and Review of Goals for FY 2020/2021

Review of the Washpad Project (see award made on 06/23/2020)

Next step on Incline Beach House

Report on audit of selected parcels

Report on audit of recreation and beach fees (request made at 12/9/2020 meeting)

Correspondence in Board packet – Chairman Callicrate

Third and fourth quarter financial reports (add to LRC)

Tyler Technologies project status report (request made at 01/13/2021 meeting)

Possible discussion on IVGID needs as it relates to potential land use agreement with DPSEF (Request by Trustee Schmitz – 01/18/2021)

Authorize the 2021 Waterline Improvement Construction Contract (Chorey)

Utility Rate Study (see minutes of 1/13/2021)

*Budget approval is required after the third Monday however whatever date is selected, a 10-day notice must be given. Must accomplished no later than June 1, 2021.

AUDIT COMMITTEE MEETING OF JANUARY 27, 2021
Incline Village General Improvement District

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Audit Committee Chairman Matthew Dent on Wednesday, January 27, 2021 at 4:00 p.m. at the Boardroom located at 893 Southwood Boulevard, Incline Village, Nevada. This meeting was conducted virtually via Zoom.

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*

On roll call, present were Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), Raymond Tulloch (At-Large Member), Derrek Aaron (At-Large Member).

Also present was Staff member Director of Finance Paul Navazio.

There were no members of the public present (State of Nevada, Executive Directive 006, 016, 018, 021, 026, and 029).

B. PUBLIC COMMENTS*

Dick Warren said 5 years ago Linda Newman & Cliff Dobler (now referred to as L&C) got very involved in the CAFRs that IVGID submits to outside auditors, primarily Eide Bailly (EB). After about 5 years of harping away at the likes of various Boards, EB, and other governmental departments, L&C started to get traction. A year ago the Board finally consisted of 3 good Trustees – Callicrate, Dent & Schmitz. They formed an Audit Committee and put smart and knowledgeable folks on that Committee as At-Large Members - Derrek Aaron (CPA/IT/Project Management), Cliff Dobler (CPA/Real Estate Expertise), and Ray Tulloch (Construction/Utility Management Audits). The Audit Committee brought in Moss Adams to review all the findings, mistakes, and inconsistencies in the CAFRs that L&C had uncovered over the past 5 years. L&C came up with 24 points that had been raised in the 2019 CAFR. Moss Adams concluded that all 24 points had merit but a restatement of 2019 was not required. And then EB, in their final audit report on IVGID, made reference to these findings, although for some unknown reasons EB never had any problems with their previous years' audits. If it had not been for the diligence of L&C, would anything have been different today? No Trustee forced any issues; in fact, Trustee Wong tried to circumvent these probes over the years. No one on Staff pushed L&C to pursue these items; for the most part IVGID Management over the years abhorred their endeavors (think Pinkerton). And it certainly was not EB that did anything with the information L&C came up with. No, it was just these 2 Incline Village residents that decided to take on IVGID's

financials. You might want to compare CPA Wong's contributions over 6 years to L&C's efforts over 5 years; who added more to the plate? Trustees Callicrate & Dent tried to push constructive reform over the past few years but they were in the minority, I wonder where Wong was? But finally a year ago things started to realign with the Board getting 3 decent Trustees, Moss Adams came along compliments of the Audit Committee, and we now know, and confirmed by Moss Adams, that IVGID's financials are a complete mess. And now the clean-up will begin, but remember, had it not been for L&C, we never would have known how bad IVGID's financials were. Perhaps we could have Trustee Wong present them with an "Incline Village Good Citizenship Award"??? Sometimes those "malcontent residents" are the ones really contributing positively to the Community. Thank you Linda & Cliff! That's it for me.

Linda Newman said she strongly encourages you to recommend the engagement of Davis Farr to provide independent auditing services, to accept the final Moss Adams Report and to include their recommendations in your Annual Committee Report to the Board. Simply stated, our Community has suffered the consequences of a less than competent auditing firm, an IVGID Audit Committee that existed in name only for too many years and Management that operated without any oversight, internal controls or interest in complying with financial transparency and accountability. Tonight, you have the opportunity to set the District on the right path forward and provide a solid foundation for the District's proper and appropriate accounting and reporting. By recommending to the Board that the District's 2020 CAFR be revised to comply with GAAP and Best Practices as outlined in the Moss Adams report, you will fulfill your role as an Audit Committee as stated in Policy 15.1 to ensure that those responsible for financial management –auditors, management, and the Board of Trustees –meet their respective responsibilities for internal controls compliance and financial reporting. Now is the time for our CAFR to provide complete and accurate information that is transparent about the use of our tax, fee and ratepayer money with a detailed accounting of all expenditures to ensure that the State, the County, our Board, our citizens and our creditors have meaningful information on our District's financial condition and performance. Collectively, this Committee has more academic credentials, accounting, auditing, project management, IT, Utility, Investment and leadership experience and expertise than our Board and current Senior Management. Thank you Trustees Dent and Schmitz for all of your efforts and Mr. Aaron, Mr. Dobler and Mr. Tulloch for generously volunteering your time and talents to improve our District's performance and accountability.

Michael Abel said last winter the 2019 CAFR was presented to the Board of Trustees. The Audit Committee during that time, comprised of Wong, Morris and

Horan who were an audit committee in name only. Acceptance of the CAFR was postponed until Sara Schmitz was elevated to the board in January 2020. The Board accepted the proposed CAFR but Callicrate, Dent and Schmitz questioned several items in the CAFR based on research by Cliff Dobler and Linda Newman over the past four years. Last May, with Schmitz's initiative, a new Audit Committee Policy was approved with, predictably, Wong and Morris objecting. For them tolerance of wasteful spending and bad management is a given. Again, Wong objected to the appointment of two eminently qualified at large members. Immediately, the committee engaged Moss Adams to review and make recommendations on 4 of the 27 accounting deficiencies alluded to by Dobler and Newman. Management only addressed 14 of the 27. Of the four items reviewed by Moss Adams, they counseled to immediately cease the bad accounting indicated by the four, and said that the remaining should be addressed in future CAFRS. Moss Adams was also engaged to review contract management on 7 contracts. Here they indicated a high risk of fraud. The Board policy on contracts was updated, with again, Wong objecting. Management recently engaged a firm to review the Utility fund management which is in shambles. The CAFR for 2020 is a clear example of what a good audit committee can achieve. While Eddie Bailly had the audit for 4 prior years, they and Wong stated everything was ok ignoring big red flags. With a functioning audit committee, Eide Bailly found 19 accounting errors of \$3.5 Million which had to be corrected and an additional 5 miscellaneous errors of \$358,000. The auditors Internal Control Report indicated a material weakness in **Internal Controls** over Financial Reporting and, **in plain English**, hiding expenses in capital assets. Wong's recent attack, abetted by an ex-employee, on her fellow Trustees and Dobler was a disgusting violation of board policy and decorum. I implore our Trustees to keep the audit team together so that IVGID can come out of the "do nothing – see nothing" Wong era. My final comment this evening relates to the so called "whistleblower Procedure" subsection – "Acting in good faith." He encourages this committee to trash this proposal. Ill-conceived is the part of this proposal that relates to public criticism of the district. This is a sideways effort to quash public dissent. If he for instance, even maliciously, want to call Trustee Wong, dishonest, stupid, corrupt and on the vig – something that for the record, I would never do, I should still have the right to do that without having my recreational privileges removed. Who will be IVGID's judge, jury and executioner?

Margaret Martini said wow! what a difference a new and vastly improved Audit Committee makes! In 2020 we had a new Board Chair, Vice Chair and Treasurer who understood the importance of financial transparency and complete and accurate financial reports. All understood the importance of an active and engaged Audit Committee. Trustee Treasurer Schmitz took the time to develop a strong

Minutes

Audit Committee Meeting of January 27, 2021

Page 4

Committee Charter and Vice Chair Dent took on the responsibility and leadership of the Committee. Along with the expertise of our three volunteer community members -and the independent Moss Adams reports on our contract management and four key accounting and reporting issues --our external auditor finally started to do their job. So, thank you Board Chair Callicrate, Audit Committee Chair Dent, Trustee Schmitz and Messrs. Aaron, Dobler and Tulloch for doing everything you can to improve our financial statements and the District's compliance with State laws and District policies and practices. Fortunately, now, after too many years, our independent auditor expressed what all of our active, informed and knowledgeable community members have repeatedly asserted: The District has a material weakness in internal controls across the complete spectrum of District activities and does not adhere to appropriate accounting and reporting policies and practices. Unfortunately, our new GM and Director of Finance have followed in the footsteps of their predecessors and signed a Management Representation letter that is well, filled with misrepresentations. There are pages of auditor adjustments to management's submissions that equal close to \$4 million. And that is only the beginning. In addition to disregarding their responsibility to comply with Policy 15.1 and failing to provide this committee with all reports and letters before submittal to the external auditor along with other failures too numerous to mention, they have presented a CAFR in the eleventh hour without adequate time for this Committee and our Board to review before the end of January deadline for submittal to the State. So, as citizens requested at the last meeting, she asks Committee Chair Dent to seek an extension for submitting the 2020 CAFR. Please take the time to get this right. Your citizens, your State, your County and your creditors are counting on it.

Frank Wright said to listen to the comments so far, you have to give accolades to members of community who step forward to expose the financials. This place has problems. Let's look at the Hyatt pro shop. We are funding a sport shop to sell a private entities goods, the Village Ski Loft. They got through our point of sale system, we rent the space, we staff with employees, they sell goods. We assume and absorb a \$200,000 of parcel owners' money. Why wouldn't you shut it down after 10 years when it loses money each year. It's supposed to be for our recreation. The oversight from the financial gurus at the district money should have shut it down. We should get rid of it as soon as possible.

Aaron Katz said as he looks at the proposed the whistleblower procedure it struck me that everything wrong with IVGID is our wonderful employees. He said he is tired of being told how wonderful they are and we have to go to the end of the earth for the employee. He said he is tired of reading they are the most important asset. We will go to no end to appease them according to Wong and Morris. Free rec

privilege for employees and their families. Unmonitored of use of district procurement for personal meals because they had a tough week. Gold cards, silver cards. Other employee termination benefits. Staff propose policies from preventing Trustees from directing employees even though it says NRS 318 that is their job. Staff blame the attrition of employees on anyone other than their selves. They are creating a policy to go after citizens who criticize what they do. Who are we for? Who is the master and servant? Put your feet down. The GM has to understand who he is working for. If he doesn't get it, he should find another job. I'm tired of feeling like another like a second-class citizen. When there is a conflict with employee and property owner, they need to be resolved in favor of the property owner. Are my rec privilege going to be suspended because comments are deemed malicious? What about Judy and our grandkids? All you care is about money. Indra was disingenuous about gold and silver cards and the deaminases drain on the beach. How about 140 property owners in Crystal Bay? Would it be a deaminases drain to give them beach access? Let's get what is right in this community for once.

C. APPROVAL OF AGENDA (for possible action)

Audit Committee Chairman Dent asked for any changes; hearing none from the other Audit Committee members, he moved General Business item D.5 to General Business item D.1 and General Business item D.4 to General Business item D.2.

D. GENERAL BUSINESS ITEMS (for possible action)

**D.1. Staff update on Request for Proposal for District's Auditor
(Requesting Staff Member: Director of Finance Paul Navazio)
(this was General Business Item D.5.)**

Director of Finance Navazio gave a verbal update of the submitted materials and he noted a correction. The Board needs to select their auditor in first meeting in March. A special Audit Committee meeting may need to be scheduled to receive feedback and provide recommendation of new auditor. Audit Committee At-Large Member Dobler stated there are two candidates that are equally good. In response to Audit Committee At-Large Member Dobler's inquiry of the selection committee, Director of Finance Navazio stated there are two staff members and two members of community as part of the selection committee. The group would make a recommendation to full Audit Committee. Audit Committee Chairman Dent noted if the group cannot make a tie break, the Audit Committee can help make that decision. Audit Committee At-Large Member Aaron stated they created a short list from the

Request for Proposal and held interviews yesterday and today. They both have good qualifications. They could handle the work. It's about refining it further. We would have to sit down with the selection committee to put it down on paper and make a scoring system. He said they spent an hour with each firm with good information exchanged. Director of Finance Navazio suggested each member think about it and we will convene, as a group, to discuss a selection. Audit Committee At-Large Member Tulloch asked Director of Finance Navazio what 3 firms that applied. Director of Finance Navazio stated since we haven't circled back with those candidates that did not advance, he stated he preferred not to identify until the committee makes the recommendation. Audit Committee At-Large Member Dobler asked if it is the Nevada Revised Statutes that would prevent you from telling the Audit Committee who the two firms were? Director of Finance Navazio stated to be fair to firms, it would be his recommendation to reveal when we bring them forward with recommendation. Audit Committee Chairman Dent thanked them for their work and review of a future auditor. Audit Committee Chairman Dent said the next step is to determine special meeting. He reviewed the Board of Trustees' long-range calendar and highlighted the February 10 regular board meeting and February 24 workshop. He said we could fit into the two-hour window. He asked if 4:30 on February 10 or February 24 worked for the Audit Committee. He stated February 10, as a special meeting, would allow a week to work through final decision. Director of Finance Navazio stated sooner is better than later. He said it would allow us to discuss and get it to the board in first meeting in March. Audit Committee Chairman Dent agreed and asked if February 10 worked for the committee members. Audit Committee Members stated they can make that special meeting.

D.2. Receipt of the final Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020 (Requesting Staff Member: Director of Finance Paul Navazio) *(this was General Business Item D.4.)*

Audit Committee Chairman Dent provided background of this process and an update until to this point in time. He reviewed the policies that pertained to this process. He noted the policy can be reviewed at a later time. Audit Committee At-Large Member Dobler referenced Policy 15.1, Section 2.5. He said reviewing financial statements may fall into our responsibilities. He said he has 6 major items and 50 corrections to the CAFR. He said we may want to break this up into sections. Basic financial statements, auditor reports, and representation letter by the management of IVGID. We have a lot to

cover. Trustee Schmitz said she appreciates the work performed of the Director of Finance's team and Ms. Williamson. It's important to follow our own policies. We won't have time to give anything in writing to the Board tomorrow evening due to compressed timeframe. She said we are being asked to press everything but we should do things right. If after tonight's meeting and discussion, we feel, as a group, we feel need to represent to the Board, we need to make decisions on how that gets handled. We shouldn't ignore policy and do things right. She said she believes Director of Finance Navazio and District General Manager Winqest want to make things right. It's been a collaborative effort. She said she wants to deliver on that. Audit Committee At-Large Member Tulloch agreed with Trustee Schmitz. He noted that last week we are having a gun held to our head that we have to submit the CAFR. He said he's not prepared to be signing off until further review to validate these things. He said there is a glaring error in CAFR of \$3 million of capital in utilities that haven't been committed. It's more than material. Audit Committee At-Large Member Aaron stated he appreciated Trustee Schmitz and Audit Committee At-Large Member Tulloch's comments. He said there has been great points. He said he will focus on final report from Moss Adams. A big nod done by Ms. Newman and Audit Committee At-Large Member Dobler to bring these to our attention. Audit Committee At-Large Member Dobler moved forward with these points with Moss Adams. He asked if these are suggestions for improvements, and if so, what does it do to the audit work that already has been done. He said he will keep an open mind. He said he is not leaning towards making a recommendation. Director of Finance Navazio gave a verbal update of the submitted materials. Tiffany Williamson, from Eide Bailly, presented the Auditor's report. Audit Committee At-Large Member Dobler asked if these have been reported to Management. She noted these were the one's identified and brought to Management's attention. Trustee Schmitz noted in this report of journal entries, that the prior years' aren't identified. It would be helpful if the prior periods were indicated and how far back this goes. Ms. Williamson said she only sees adjustments related to governmental type activities and there are similar issues in utility fund. Trustee Schmitz asked if that was not examined or was it only focused on governmental type? Ms. Williamson said they examined business and governmental. She referenced the entry for current year with business type activities. There are adjustments to utility fund for current year. She said in looking at prior years, she said it's noted in utility fund, they were trivial, and not worth noting. She said they tested that fund. Trustee Schmitz asked how many years did it go back. Ms. Williamson said we look at current year additions, as we noted errors in this year, and errors in CIP and service, she said we looked back

at June 30, 2019 fixed asset listing and net value we. She said they performed testing on that listing to see if anything else would qualify. We could look at our documentation. Director of Finance Navazio said in capitalization, he said we reviewed every asset that we are carrying on books, capital fixed asset that are greater than zero. Some were capitalized at the tail end from 20 years ago and some assets just got put in. He said we are looking at financial statements of current year of capital assets. He said Moss Adams listed it as an issue, so we went back. He said we looked at clear errors. There is discussion to be had and discussion about best practices to handle the majority of items that are grey areas. Management did their best to bring attention to that which needs adjusting in capital and depreciation expense. Audit Committee At-Large Member Tulloch said it was the first time he heard \$3 million as being trivial. He noted if you look at agenda packet page 25, Board policy defines rules of capitalization; he read the policy. Moss Adams identifies it as the export pipeline. It's appalling to sweep it under the carpet. It's a major part of net position. He asked why it is being ignored? Director of Finance Navazio said, in discussion with Moss Adams, they identified things to look at and we looked at them. He asked what constitutes a repair and replace. We expense items that clearly are in our view and Ms. Williamson agreed that met definition of expense. He said the ones where there were room for discussion, we continue to review them. Most of them are consist with Board policy with capitalization. He said he wasn't going to change them. There is a high threshold to appropriate to expense. Ms. Williamson agreed with Moss Adams and the committee. She said you need to strengthen policy and procedures. She said we aren't ignoring \$3 million of repairs. Audit Committee At-Large Member Tulloch said he has experience with utilities and capitalization. Staff time is not eligible for capitalization. It's not appropriate to retroactively modify a Board policy. Director of Finance Navazio said there is a belief that Moss Adams thinks that Staff time isn't appropriate to be capitalized. He said that's not our position. We went back to Moss Adams for their guidance. The way we approached it was consistent with Moss Adams. Audit Committee At-Large Member Tulloch said Staff time in advance is not capitalized but rather during the project. We will agree to disagree. Ms. Williamson said no one retroactively modified the policy. However, it's Moss Adams general recommendation. Ms. Williamson said we did find errors. She said Moss Adams stated if the policy was clarified, it would help the District with compliance. Audit Committee At-Large Member Dobler provided history and background about the export pipeline. He said in 2012, after completing the first phase and receiving funding from the U.S. Army Corps of Engineers (USACE), we realized that we needed to do sections 2 and 3. We had break,

and were asked to review sections 2 and 3 there, but there was no funding in 595 program and IVGID had to do it. He said the Board policy was drafted by people who don't have professional accounting experience. If it doesn't agree with Generally Accepted Accounting Principles (GAAP), accounting principles win hands down. We were trying to determine where are we. He said they evaluated where to put the new line – put it in the middle of the highway or the side of the road. He said Staff was working with USACE to get Federal funding. That's what we have been doing the last 8 years. We have accumulated, according to presentation, \$5 million which included \$900,000 in staff time. Staff was trying to figure out alternatives and talking to the Tahoe Transportation District and the Environmental Protection Agency. They came back and did another demand because the first one didn't do so well. It was the preliminary development stage. Staff didn't have the bandwidth. Outside consultant is going to figure it out from scratch. We got 1,100 feet of pipe in two locations. We spent 8 years. We had Marcus Faust and USACE but no one wanted to lay out \$38 million. He said capitalization falls under Statement 4 of GAAP. He said based on the presentation, \$3 million is still being capitalized on installation and repairs in 13 locations with 1,100 feet of pipe. Most of this wasn't in that budget. IVGID didn't want to do this project and was looking to partner with someone. Director of Finance Navazio said we didn't capitalize because of Board policy; we believe based on Moss Adams and Eide Bailly that it was capital expenditures. Audit Committee At-Large Member Dobler said he is following the process and knows how the money was kept. Last year, he made a public records request. He said he doesn't see how Moss Adams agrees with you. This needs to be expensed, period. He will rely on Audit Committee At-Large Member Tulloch who has experience. Audit Committee At-Large Member Aaron stated he wanted to play devil's advocate to address to capitalize or not to capitalize. He stated in defense of why these were capitalized. He said the reason they made that decision, based on the information of the time, they thought the project was going to happen in the near future. Throwing that idea into the mix. Audit Committee Chairman Dent asked if Ms. Williamson reviewed Audit Committee At-Large Member Dobler and Moss Adams' reports. Ms. Williamson said yes. She said she agreed with concepts but there is room for interpretation. She said those items were appropriate to capitalize based on our conclusion. Ms. Williamson continued her presentation. Audit Committee At-Large Member Tulloch spoke about appropriate policies in place and the Board's responsibility to put that in place. Ms. Williamson noted policies weren't appropriate since they didn't stop all errors from being noted. She said the recommendation is to strengthen to prevent further errors. Management is responsible for

procedures, but the Board is responsible for capitalization policies. Audit Committee At-Large Member Dobler said he went through the representation letter with Audit Committee Chairman Dent. There is a lot of stuff in here. He said he is assuming you are including things that management has given you and therefore you put them in your audit. He said he found 8-10 things that are not true. He said we didn't see any of the external letters. He said the effects of all this is or face potential litigation is that it has to be a disclosure according to GAAP. Ms. Williamson stated it's based on testing and required in auditing standards. She stated they don't rely solely on the management letter. She said we get confirmations directly from the attorneys, not from the District. Formal letters from lawyers to auditors. Ms. Williamson said we get it directly from attorneys. Audit Committee At-Large Member Dobler asked how do we do our fiduciary duties if he can't see the legal letters. Ms. Williamson said letters go directly to auditor. She said there was no litigation and, based on attorney letters, we felt that was reasonable. Audit Committee At-Large Member Dobler stated there is the ongoing Smith litigation. Ms. Williamson referenced agenda packet page 415 and stated possible litigation and claims are disclosed according to us. She said it's accounted for and disclosure is included. Audit Committee At-Large Member Dobler asked for the last 13 points of the 27 findings as we have only received the first 14. Audit Committee At-Large Member Aaron confirmed that when they are doing the audit and they reach out to attorney or legal firms, those letters go directly to auditors. He stated loans and statements will come directly from those sources and not through the client's hands. Trustee Schmitz asked if the Smith litigation is stated as an outstanding liability in CAFR? Ms. Williamson said because it's not required, no. Trustee Schmitz asked if the assessment of risk for financial statements is accurate? Ms. Williamson said all is accurate. She stated it was a verbal conversation and don't have a formal risk assessment document. Trustee Schmitz asked about due diligence of fraud such as speaking with those in cash management? Ms. Williamson said she can provide that list of people she spoke to even though they normally don't provide it; Ms. Williamson named the people who she spoke with. Trustee Schmitz said it didn't include anyone one from utilities or cash management? Ms. Williamson said if people had concerns or questions they would go to Human Resources. Trustee Schmitz said given the Moss Adams report about contract management, you didn't speak with those who was involved with those projects or engineers or anyone from reports with deficiencies with deliverables? Ms. Williamson said we did trace back to the testing in our capital asset and understand the risk but found no errors in amounts reported and found the test was appropriate. Audit Committee At-

Large Member Dobler asked for clarification and referenced agenda packet page 417. He said Moss Adams and Trustee Schmitz worked on this for the PICA contract. He believed we overpaid that contract by \$200,000. He said he didn't know what the District would do to get the money back from them. He said change orders were not issued. They never put a dollar amount to it. He said we have a lot of material issues here. We need more of an in-depth audit. Director of Finance Navazio said Moss Adams identified areas of improvements, material weakness, and change order and timing of change order with process and payments. He said he would love to circle back on anything from that report to suggest potential fraud that should have been tested more than what Ms. Williamson tested. Trustee Schmitz said we paid for deliverables that were not received; they didn't put a dollar amount on that. The only thing they put a dollar amount was the amount over the contract amount. It reduced the scope but not the payment. Moss Adams didn't quantify that value. Audit Committee At-Large Member Dobler said if you didn't produce a change order to reduce the scope, then how would the accounting department know not to overpay. It's well defined in the contract, they paid the full amount, and we didn't get the goods.

At 6:00 p.m., the Audit Committee took a 15-minute break. The Audit Committee meeting resumed at 6:15 p.m.

Audit Committee At-Large Member Tulloch asked Director of Finance Navazio about a journal entry to record a gift card breakage. Director of Finance Navazio there was a program that has been discontinued where the District sold a number of Diamond Peak gift cards through Costco. We showed liability gift cards that have not been cashed that have been sitting out there. It's a deferred revenue account. We left 5% in event some show up. Audit Committee At-Large Member Dobler referenced representation letter found 19 errors, but it wasn't changed. He said we looked at the footnotes on debt and compensated absences. He asked why it wasn't corrected. Ms. Williamson said compensated absences are on government statements. Director of Finance Navazio said its sick leave retirement amounts. Audit Committee At-Large Member Dobler recommended breaking things out into 5 sections: transmittal letter, organizational chart, and management analysis as that would be a good way to go through it.

Transmittal Letter

Audit Committee At-Large Member Dobler stated the transmittal letter is not looked at by Eide Bailly because it's not required. He referenced the second page of the letter about the pipeline. Statement of utility rates support

infrastructure. 6 miles are identified for replacement which is expected to cost \$15 million but \$38 million based on statement given in 2019. He asked why we don't just say \$38 million. Audit Committee Chairman Dent said it might be the old information. Audit Committee At-Large Member Dobler said it was always \$23 million. Audit Committee At-Large Member Aaron said that could be a stale number and needs to be adjusted to current times. Director of Finance Navazio said it's a yet to be defined scope. He said we didn't just roll the number; we don't have an official number. Trustee Schmitz said in effort to be forthright, it should acknowledge that the audit identified weakness with internal controls and procedures. It would go a long way to openness and transparency. Audit Committee Chairman Dent agreed. Audit Committee At-Large Member Tulloch asked, in response to Audit Committee At-Large Member Dobler's point on infrastructure, why we are collecting \$2 million a year? Director of Finance Navazio said we aren't collecting \$2 million, we are reserving it. Audit Committee At-Large Member Tulloch said it's not been restricted. Director of Finance Navazio stated there are notes on the statement about the Board action to reserve those dollars for the project. Audit Committee At-Large Member Dobler referenced agenda packet page 426 and talked about policy direction related to the Recreation Fee and talk about the policy of smoothing. There has never been a policy of smoothing. He spoke about commitment of fund balances. He noted fund balance of unrestricted net position is mixed up. Moss Adams pointed it out that it's not clear of what's being said. You don't designate restricted, committed, and assigned. In response to Audit Committee At-Large Member Dobler's comment, Director of Finance Navazio said this was his approach to the transmittal letter for non-accounting experts that may not understand the distinctions.

Organizational Chart

Audit Committee At-Large Member Aaron noted a member of the public stated that the organization chart wasn't updated; he said it's a snapshot in time. Director of Finance Navazio said the organizational chart is reflective as of June 30, 2020.

Management Discussion and Analysis (MD&A)

Audit Committee At-Large Member Dobler referenced financial highlights based on government wide financial statements. He said he saw two things – statement of net position and statement of activities. Third bullet points talk about individual funds which you cannot find on government wide statement. He said he would have to go to the balance sheet in a different section. Problem is Community Services and fund balance when speaking of

statement of net position - this is a mix that nobody would know what you are talking about. Director of Finance Navazio referenced the MD&A, page 1, as it summarizes the entire document on one page. The financial highlights are a roll up as is net position of the entire entity to show fiscal position; the second bullet show changes in net position; there is a bullet point on the General Fund; a bullet point on Community/Beach Funds; and a bullet point on Debt. It's a summary of the financial position in 5 bullet points. Audit Committee At-Large Member Dobler asked why the utility fund was not a financial highlight? Director of Finance Navazio said it's in the second bullet in government activities and business activities. Audit Committee At-Large Member Dobler said its style and you have to get a better style. He said business type activities is utilities. Director of Finance Navazio said he is happy to take comments and happy how the MD&A is laid out. Trustee Schmitz asked if District's Community Services special revenue fund also includes capital projects? It appears we are rolling all of it up in the revenue fund when a lot of it is capital fund. Director of Finance Navazio clarified the bullet point on the MD&A. He said it attempts to describe narrative government fund balance sheet of final CAFR as June 30, 2020, total fund balance. He said yes, it reflects all of the revenues collected – facility fee, charges for service was booked as revenue and transferred to capital. There are no assets in liability in capital and debt funds. For this year, we changed that with Board action to transfer portion of fund balance in Community Service special revenue to capital and debt. We moved it in this fiscal year. He said he can bring that report and the Board action of when that happened. Director of Finance Navazio said we did two other things – adopted current year budget and put revenues where they belong. We amended last year budget June 30 at 11 p.m. to transfer expenditures budget and actuals. He said we didn't change the revenues; they still came into special revenue. This reflects what was done.

Basic Financial Statement

Audit Committee At-Large Member Dobler so about violations in GASB and GAAP. They need to go through it clearly and the auditor may rethink their opinion. He referenced agenda packet page 443 - Statement of Activity. He asked what burden will have to come from general revenue? General revenues can be used for anything in the District and the facility fee is under general revenue. He then read from the Moss Adams report. He said he went back to GASB and could see what they tripped on. He said in government reporting tax payers, you can consider it being general revenue. He said but payment of recreation and beach fee are not taxes, they are fees. That sections would not apply. We need to get this changed. It impacts

the statement of activity and general revenue. This is a serious mistake. Audit Committee At-Large Member Aaron said we need to state why we don't recommend CAFR to the Board. He said he hopes we are capturing these remarks. He asked how does it play into this year compared to next year? If we highlight mistakes, we need to give suggestions or solutions for now or next year. Audit Committee At-Large Member Dobler said we are fiduciary; we can't let it go. Director of Finance Navazio said historically, since we went to special revenue accounting, we reported facility fees in the general revenue column. We are comfortable with charges for services, those are revenues that are collected by venues by users for use and programs of activities. You may have noticed this change, if paying facility fee and assessed on property tax bill, that is distinguished from charges for services. They are property owners. He said the change he made for readers of the financial statement is the facility fees is in general revenue since they are assessed by property ownership in District regardless if they use the facilities - it's not a charge for service. Ms. Williamson said she agreed they aren't taxpayers and that this is reasonable and appropriate. Moss Adams gave recommendation. Audit Committee At-Large Member Dobler said it's for beaches and community services and it could never be used for general. Trustee Schmitz said one thing identified, when we recognized and determined that we were able to have this special revenue fund, is that it doesn't meet substantial portion. The community service capital fund has significant dollars in it. She asked what rule did you use to say that fund isn't a major fund in financials? Ms. Williamson noted the capital project fund is a major fund and its listed in government fund balance. Moss Adams didn't feel the District met financial qualifications for special revenue. Ms. Williamson said we concur with management. She said the facility fee is assessed at a rate. That meets the qualification to be committed revenue source for those funds. She said Moss Adams feel portions of the facility fee for capital and debt service shouldn't be in that fund. If you took them out, it wouldn't meet the substantial funds. It's more of an internal designation. We looked at the Board resolution to establish special revenue. Facility fee is reported in special revenue fund. 20% is a guide according to Moss Adams. It's a guide not a rule and we feel it's appropriate. Trustee Schmitz said in order for the situation where it wouldn't meet criteria and not combined and transferred out, we would have to draft a resolution to identify the fund to transfer out and therefore there wouldn't be enough to be in the special revenue fund. Director of Finance Navazio said Moss Adams said if the funds that are restricted for Community Services and Beach don't meet the threshold, then it doesn't meet special revenue. Resolution 1839 established special revenue funds and capital, debt, the user fees, standby

charges, and charges for service. Moss Adams said for it to be fine in special revenue funds going forward, the Board should clarify the charges for services should only be used for Community Services. There is no Board policy that restricts how they are collected and transfer to capital and debt. This goes away when we go to enterprise funds. That is now how the funds are set up. They are restricted. Audit Committee At-Large Member Dobler said special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed for specific purposes other than debt services or capital. You could never put special revenue funds when you have intended and passed that the facility fee would be split up in 3 components. Each component – operation, capital, and debt service has to go into specific fund. By picking up an entire amount of facility fee of special revenue fund is violation of GASB. If you pick up capital revenue sources and put into special revenue fund, then you assume the revenue exceeds the threshold and you didn't get over 11%, you have to report it in general revenue. Ms. Williamson spoke about capital and debt service designations and facility fees. Director of Finance Navazio noted charges of services are restricted via Resolution 1838. That is why we get in the facility fee threshold. He said that's why we would ask the Board to restrict fees collected from Community Services and for beach. In response to Audit Committee At-Large Member Tulloch's inquiry about special revenue fund restricted to each venue, Director of Finance Navazio said according to Resolution 1838, charges for services collected for community services venues can only support community services. If the Board wanted to make charges, it would be to use them at beach and charges used at community services. Director of Finance Navazio said if we restricted it to the specific venue, we wouldn't transfer Ski revenue to any other venue.

Notes Section

Audit Committee At-Large Member Dobler said we don't have a policy for anything for punch card utilization. He said he disagrees with the statement about facility fees on agenda packet page 463. He referenced Interfund account and transfers. Audit Committee At-Large Member Dobler referenced agenda packet page 476, note 18, and said in regard to punch cards, we don't have transfers going to special revenue to community services beach fund. You are showing us all the charges for services in two funds – community services and beach fund. Punch cards paid \$250,288 to community services and beach paid \$734,680, but we all know punch cards were already paid for when we paid the Recreation Fee. When we use the punch card, the District collects nothing. That's where the contra revenue item comes into play. We paid \$250,288. so we have to offset that as punch

card utilized. Why would you offset that \$730? In reverse, \$483,000, why offset that with \$103,000? He asked where did you get the rest of your money? You got it from the community services fund. You cannot offset more. Director of Finance Navazio said we spent 2 workshops with the Board on punch card account and utilization to explain how they are accounted for. This represents last fiscal year's account under punch cards. We hope to do away with that going forward and that you are right there was no revenue generated when it is utilized at a venue. He said 85% of the Recreation Fee last year was revenue to community services and 25% revenue to beaches. Contra revenue is in aggregate of users at venues – we show 85% as credit to community service and 15% in beach. In an inelegant way, we are doing adjustments in revenue charges in revenue paid for Recreation Fees at community and beaches and balancing it out. Everyone agrees it is messy. Moss Adams agreed this needs to go away but doesn't see any violations. Audit Committee At-Large Member Dobler said he never said it was illegal transfer but a transfer was made. He asked where did you get the money? You got it from a transfer. You have to put it on the transfers because that is what the law requires. You took it out of community revenues. Director of Finance Navazio said we took revenues out of one fund and put it in revenues in another fund. Audit Committee At-Large Member Dobler said he is more concerned you have a transfer and it needs to be reported. Ms. Williamson said it's allocated and consistent with how the facility fee is charged and now transferred because of how it's set up. Director of Finance Navazio referenced note 8, transfer from funds. He said contra revenues are transfers from one revenue to another. It's not a true transfer. Audit Committee At-Large Member Dobler said it's recorded as a revenue therefore it's a cash transfer. Director of Finance Navazio said it's the accounts it is hitting that determines the transfer. Audit Committee At-Large Member Aaron asked what we want out of this conversation? Audit Committee At-Large Member Dobler has made good point and rehashed it. He said even if you are an expert, it might be hard to understand. It's confusing for sure. We will change it moving forward. He asked what do we want to conclude from this conversation? He asked are we going to agree to fix it in a future year? Audit Committee At-Large Member Dobler referenced the Commitments section on agenda packet page 477 – the District has committed to contracts. These are contracts that haven't been completed. He referenced one contract in Utilities for construction by KG Walters. He asked why you wouldn't put it on there? If there is contract that are outstanding, it needs to be committed. Director of Finance Navazio said he will look at that. Director of Finance Navazio said we looked at outstanding contracts as of June 30. The project that it relates is for

Wastewater Reclamation Facility (WWRF) aeration project. Audit Committee At-Large Member Dobler asked what you are saying is that if you are committing money, you are reducing the net position, but you don't reduce net position. All you are doing is putting an asset out of cash and putting it in an asset. Director of Finance Navazio said because of encumbrances, it doesn't show up on financial statements, this informs the reader that portion we plan to use in unrestricted net position for utility and committed fund balance for revenue. Audit Committee At-Large Member Dobler said net position remains the same. You don't reduce anything. Director of Finance Navazio said you would be reducing unrestricted net position. Director of Finance Navazio shared a PowerPoint of Next Steps of items that need to be addressed. He said he will share the PowerPoint.

Supplemental Information Section

Audit Committee At-Large Member Tulloch said he was glad to see capitalization and that he is concerned that it's going to go to the Board without consideration of what was discussed here. Director of Finance Navazio said he is recommending this committee consider accepting what we have done with financial statements, conducted independent audit with findings, and there is a lot of work to do. He said he wants to get started. He said he doesn't know the value of going back and changing the financial statements. The committee is charged with review and oversight of audit. He said he is comfortable publishing the audit and filing with State and getting to work. In response to Audit Committee At-Large Member Tulloch's request, Audit Committee Chairman Dent read sections of Policy 15.0 regarding review formal reports and letter. Audit Committee At-Large Member Aaron referenced Section 2.5. and said he wanted to make sure what we are checking off what we need to follow-up on with the identified corrections. He said the policy doesn't identify the extent of the follow-up action. Audit Committee Chairman Dent said there are different interpretations. He said he is concerned with the audit report including statement of activities, major funds, and interfund transfers. He asked the committee do we recommend they approve the CAFR or recommend we need to develop a letter to send to the Board before we can move forward? He asked what does this committee want to do? Trustee Schmitz said in regard to the KG Walters contract, Director of Finance Navazio needs to look into that as that was an action item. Trustee Schmitz said Ms. Williamson is here and she answered many questions whether or not you agree, she is the auditor signing this document. She asked if this could move forward if there is a change with the KG Walters contract? She asked if Director of Finance Navazio or District General Manager Winquest are

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willing and able to make a change in the transmittal letter to inform our citizens in order to be transparent? Audit Committee Chairman Dent asked Ms. Williamson about missing the \$1.5 million dollars in KG Walter Contract. Ms. Williamson said she can't speak to it. She recommended Director of Finance Navazio to look at it. Director of Finance Navazio stated it may have been an oversight, and if there is an omission there, that is at a level worth holding up the CAFR. He said he appreciates the comment in regard to the transmittal letter to highlight findings, but that should be presented in the report to the Board. He said he isn't aware of a single audit with findings in a transmittal letter. It's just how the audit process works. He said he has never seen a reference to the auditor's findings in the transmittal letter but rather in the report to the Board and highlighted at tomorrow night's meeting. Ms. Williamson said she agreed. Audit Committee At-Large Member Dobler said we hired Moss Adams to review 4 points and expanded scope to highlight 4-5 more points. We agreed whatever Moss Adams said, we would agree. He said \$3.7 million of capital assets need to be written off now. He said he understands Ms. Williamson has an opinion but disagrees and cannot support. He said he will not support the CAFR due to major errors. He said Moss Adams agrees with us. Our auditor and Director of Finance has decided to disagree with Moss Adams. Audit Committee Chairman Dent said Audit Committee At-Large Member Dobler will write up a report of why he won't support the CAFR. Trustee Schmitz said Moss Adams produced their 24 points; they agreed with Ms. Newman and Audit Committee At-Large Member Dobler. The majority were clarifications and should be addressed in future CAFRs. We learned a lot which stemmed from Mr. Dobler and Ms. Newman's letters. In our future CAFRs, we will work with the external auditor and identify corrections to get rid of the contention. She said there was valid information, but in the end, most of these were recommendations that can be address in future CAFRs. Audit Committee At-Large Member Dobler said Moss Adams said the 2019 CAFR needs to be addressed in the future which is now. Audit Committee At-Large Member Aaron said we could either accept it and state our suggestions and concerns or we could flat out disagree with CAFR. He said if we consider a flat-out denial, how much time would take to make these changes and what work is involved? He asked what the risks are of not submitting this on time? Director of Finance Navazio said the extension would be through this month and that you could either ignore NRS or get an extension from the Department of Taxation. He said it's a significant amount of work. He said he doesn't know what it means since Eide Bailly has already published their findings. At the Board's direction, we would be asking them to do subsequent audit work. He said 4-6 weeks is an estimate, but that doesn't

include capitalization issues. Audit Committee At-Large Member Aaron said it's important that we identified these areas and Eide Bailly have reported material weaknesses. We can work with management to move forward to make these changes. Audit Committee At-Large Member Tulloch said there is a quandary with this. Everyone provided an independent view with expertise. We have had independent advice, but don't seem to be abiding by policy and procedures. He said there are huge issues with things that need to be capitalized when its expensed. It's hard to sign off on this CAFR. He said \$3.1 million needs to identified and we need to do that now. It would be hypocritical with the knowledge that we have. Audit Committee Chairman Dent said Audit Committee At-Large Member Dobler already said he will contribute to the annual committee report. He said he wants a consensus about the committee report and recommendation to the Board. Audit Committee At-Large Member Dobler said he is a fiduciary that needs to be responsible to the citizens and he asked how anybody can agree with the auditor and Director of Finance Navazio's statements of net position? He said he is not going to support the opinion. The resolution was to agree with Moss Adams and Staff and auditor don't agree. He said he has evidence from a reputable CPA firm. Trustee Schmitz said she wants things to be right and that she is looking at 25 points. She said it is important to do things right, but during the presentation, she said she heard reasonable responses from Ms. Williamson to Moss Adams' points. She said there is a lot we want to fix and change and do different going forward. She said she is struggling with how much do we do now or later. She asked would a month give us time to get through the list? She said it's difficult since we are discussing this the night before the Board meeting. Audit Committee Chairman Dent agreed that the timing wasn't great and that there were many variables. Audit Committee At-Large Member Dobler asked what would happen if we need to make adjustments? Ms. Williamson said we would need to see evidence to justify making an adjustment is appropriate. We performed testing, we aren't just taking what management is telling us. We have an opinion issued. There would have to be evidence, re-opinion and republished. Ms. Williamson said we would have to go through the whole process and update statements, opinion and subsequent event. She said you have to capitalize assets and report it and we feel they are appropriate. Audit Committee At-Large Member Tulloch asked for the section in GAAP where you have to capitalize these for taxation but not for reporting. He said he's not aware of GAAP requirement as capital. Ms. Williamson said government accounting standards would. Audit Committee Chairman Dent asked for recommendation from the Audit Committee. District General Manager Winquest said it's been great discussion and he shared his concerns. We

heard from Ms. Williamson. We said we can file an extension, but unlikely to receive one. But if we can get an extension, we can spend the next 6 weeks to work on this, but what if nothing changes and we file the same CAFR. He said the Accounting Staff has worked tirelessly for months on this. We have learned from the Moss Adams report. Staff supports the Moss Adam report. We agree to move on from this point on. We have made progress from 2018 to 2019 CAFR. If Staff has to spend 4-6 weeks during our budget process, it will cripple progress. He said much of this is a philosophical discussion. Audit Committee Chairman Dent reiterated the options of recommendations by the committee. He recommends we receive the CAFR as delivered and put our concerns in a report to comply with Board policy. Audit Committee At-Large Member Aaron agreed and added the idea of receiving the CAFR is neutral. He said we are saying we received and here are our observations and provide suggestions of improvements going forward. He said we keep going back to capitalization of \$3 million should be expensed - do we feel this has material impact? Director of Finance Navazio said if you support the idea that the Audit Committee should produce a report and identify areas that we agree need work going forward, he said he isn't sure it requires an extension. Audit Committee At-Large Member Tulloch said it's not just a material issue as he believes what is happening is incorrect. It wouldn't qualify under capital. It needs to be resolved. He said none of these concerns are new. We should express our concerns. Audit Committee At-Large Member Dobler said Ms. Williamson has issued her opinion and that's her opinion. There is a recent case with the Dillon's Rule where our attorney says it doesn't matter if it's written, it's implied. He said disagrees with that. We have a remedy by going to the District court. Many opinions are issued and a few years later the company goes bankrupt. He said he hitched his horse and has been waiting five years to get the outside opinion. He said he has read the reports by Moss Adams. He said he stays within the four corners of the document. We have an obligation to accept the CAFR. We can't give a report tomorrow. He said he doesn't agree with the opinion. You have that right. He said they are going to spin it tomorrow anyhow. He said he believes in what Moss Adams said. All of our issues had to do with 2019 and we were supposed to fix them in 2020 and we have not. We cannot do a report in a day. He said he can't participate in the rest of the agenda. We should remove the rest of the agenda. Eide Bailly has a right to their opinion. Trustee Schmitz said she doesn't feel we can have Eide Bailly go back because it sounds like they would be starting over and that's time and cost. She said what about a compromise and that is ask for an extension for the purpose of the Audit Committee putting together a comprehensive letter to use going forward?

The extension would allow us to produce a letter to outline concerns and not for the CAFR to be reproduced. Audit Committee At-Large Member Tulloch said he can support that. He said ask for extension and put together a report of our concerns. Audit Committee Chairman Dent said we fully recognized we violated Board Policy. We are asking for another extension due to timing of everything. Audit Committee Chairman Dent asked if we could have a draft letter by February 10? He asked for two members of the audit committee to draft the report? Audit Committee At-Large Member Aaron said Audit Committee At-Large Members Dobler and Tulloch can write it, and Audit Committee At-Large Member Aaron and Trustee Schmitz could take the second round. Director of Finance Navazio said he agreed and supports the Audit Committee preparing and presenting to the Board based on the committee's charge. He said an extension is based on if the State would actually grant the extension. He reminded everyone in 13 hours, we will hear about transition by the Nevada Department of Taxation. The mere need and thought of extension for the Audit Committee to complete report may complicate the Department of Taxation granting the changes in budgeting. Audit Committee Chairman Dent asked what the consequences are? Trustee Schmitz said it's up to the Board to ask for extension. Any decision by the Board won't be made until tomorrow evening. Director of Finance Navazio said he is protecting the District's interest and he would suggest that this committee can produce a report with concerns with CAFR without filing an extension. Audit Committee At-Large Member Dobler said it's common, if you aren't ready to issue it, don't issue it. He said he doesn't appreciate the soft threat. Director of Finance Navazio said if we need more time to finish the audit, the State granted it one time. They know audit has been issued as it's on the Board agenda for tomorrow. He said he likes the idea of filing late. Trustee Schmitz said we understand the first extension was needed in order for the auditor to complete their work, but we need to do our work. Audit Committee Chairman Dent said it's hard to believe the Department of Taxation won't grant an extension because we want to follow our own policies. We can talk about it at the Board meeting and that he will provide a verbal update. Audit Committee At-Large Member Aaron said it was brought to our attention at last meeting on page 15 of CAFR, the word District is misspelled.

Audit Committee Chairman Dent postponed the following remaining items to the Audit Committee's next meeting or one in the future:

D.1. Whistleblower Procedure for Financial Matters (Requesting Staff Member: District General Counsel Josh Nelson)

D.2. Staff update on Internal Controls (Requesting Staff Member: Director of Finance Paul Navazio)

D.3. Staff update on Chart of Accounts (Requesting Staff Member: Director of Finance Paul Navazio)

E. PUBLIC COMMENTS*

Linda Newman said this was an excellent meeting. She said she has a number of comments. In my view it is critically important to get this CAFR right and not way wait to address violations of general accepted accounting principles and best practices in the future. There are a number of errors in the audited and unaudited section that should be corrected as well as management representation letter. Many incorrect statements have been pointed out this evening. You also have no impediment to correct the unaudited sections. Audit committee policies have been violated by management. Management has chosen to circumvent their responsibility to comply with policy 15.1 and are trying to force you to default on your compliance. The audit committee and the board should not be forced to accept an inadequate and incorrect 2020 CAFR. An extension is required for more than the audit committee report. With the auditor citation of material weaknesses in internal controls and capitalization and Moss Adams two independent reports, the value of delay in fulfilling your responsibility to take all appropriate corrective actions now so that all users of our financial statements have more complete and accurate information on the district's operations and financial condition. As fiduciaries as you are reporting the government's use of our public money. We deserve factual accountability and financial transparency with 2020 CAFR fails both. Thank you.

Frank Wright said this is not a one-year ordeal, it's every year ordeal. The Audit Committee reviewed this and board and Eide Bailey rubber stamped it. The financials are screwed up. There are excuses, and it doesn't cut it. You have to follow state laws and general account standards. Don't try to put it down the committee's throat to meet the deadlines. Why can we do it right with the letter of the law. Some things that need review. This has 24 points that need reviewed. The excuses got to go away. They need to be report fairly for the people of this community. Some of the most qualified people are on this committee. Let's have this done before the midnight hour. He said he condemns the financial team. Thank you for work.

Aaron Katz said this was an interesting meeting. He said he has the answer for Frank of why we have problems. It goes back to our standard problem, our staff. Let's call spade, a spade. Why do we have problems with the CAFR? Because staff tried to create misleading financial reporting that our rec facilities are operating in positive cash flow basis when they never have. He asked why did we transfer to a special revenue accounting. Same reason – to make it look like the facilities are operating at a profit, but they are not. He said he has sympathy for Director of Finance Navazio. He should have known what he was getting himself into. He said he is not willing to give him a break now. The CAFR needs to be fixed. He said staff can't do it because they have to deal with the budget. He said he has the answer. Outsource. He asked if we can we outsource to get someone else to prepare our CAFR? Someone who is professional? He said there is another thing that Director of Finance Navazio said, because Resolution 1838 and the fact we have transferred to special revenue accounting, you cannot use funds assigned to Community Services fund for purposes other than our recreational facilities. He said he recently uncovered that 80% of auditing costs have been assigned to beach, utilities, and community services which have zero to do with our recreational facilities or our utilities. There are probably thousands of dollars of illegitimate expense that have been improperly assigned to these funds. Why? Because the rec fee and beach fee is where the money comes. And we want to keep money available in the general fund for what? Personnel costs. Clean up this CAFR.

Audit Committee Chairman Dent announced the next meeting is February 10, 2021 at 4:30 p.m.

F. ADJOURNMENT (for possible action)

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,

Misty A. Moga
Acting District Clerk

Attachments*:

*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.

MINUTES

AUDIT COMMITTEE MEETING OF FEBRUARY 10, 2021 Incline Village General Improvement District

The Audit Committee meeting of the Incline Village General Improvement District was called to order by Audit Committee Chairman Matthew Dent on Wednesday, February 10, 2021 at 4:00 p.m. at the Boardroom located at 893 Southwood Boulevard, Incline Village, Nevada. This meeting was conducted virtually via Zoom.

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*

On roll call, present were Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), Raymond Tulloch (At-Large Member), Derrek Aaron (At-Large Member).

Also present was Staff member Director of Finance Paul Navazio.

There were no members of the public present (State of Nevada, Executive Directive 006, 016, 018, 021, 026, and 029).

B. PUBLIC COMMENTS*

Dick Warren said he is addressing the Transmittal Letter, which is part of the 2020 CAFR. It is not audited nor reviewed by the outside auditors. A member of the Audit Committee, Cliff Dobler, did review it when it was presented to the Audit Committee on January 20th, and Cliff sent his comments on to the Finance Director, thinking that the Finance Director might correct some of the items Cliff had mentioned to him. When the final CAFR was presented to the Audit Committee on January 27th, the Finance Director had not made one change to the Transmittal Letter. In the 3 page Transmittal Letter Cliff mentioned almost 50 or so items that needed to be changed. Now one could argue that some of them are open to interpretation, or writing style. But most of them are just flat out wrong. Let's go to the "Profile of the District" section – it says the District accommodates over 100,00 skiers, that should be 130,000 skier visits; 35,000 golfers should read 35,000 golf rounds; 170,000 beach users should say about 190,000 beach visits; over 120,000 visits to the Rec Center should say about 412,000 visits. Under "Utility Rates to Support Infrastructure", it says the 6 miles of effluent pipeline to be replaced will cost at least \$15M, no, it will cost closer to \$38M. He could go "on & on" but I only get 3 minutes here. Both the GM and the Finance Director compiled this Transmittal Letter. The last paragraph in the Letter acknowledges those that contributed to the preparation of the CAFR, "...contributions from staff, Board of Trustees and the Audit Committee for their support and contribution to maintaining the highest standards of professionalism in the management of IVGID...." Really?

This Transmittal Letter is worthless, but a member of the Audit Committee did take the time to try to make the Transmittal Letter a more accurate product, and the “Powers To Be” ignored his efforts. BTW he enjoyed the Transmittal Letter mentioning the “Certificate of Achievement for Excellence in Financial Reporting to IVGID for its FY 2019 CAFR. Let’s see, that’s the same CAFR that Linda & Cliff ripped apart, and Moss Adams pretty much confirmed the obvious errors in it. And the GM & Navazio are trying to spin “excellence in financial reporting” at IVGID? But we know the modus operandi of the GM & Finance Director. Submitting garbage doesn’t bother them, don’t give it to the Audit Committee and/or the Board until absolutely necessary, perhaps the day before it’s due to the Department of Taxation, and force them to sign-off on garbage. He can’t wait for the 2021/2022 Budget process; the Finance Director will deliver a pile of garbage to the Board/public probably a few days before it’s due to the Department. It is a shame that the GM & the Finance Director have no character. Allowing a Transmittal Letter like the one Cliff reviewed to become part of the CAFR shows a complete lack of pride of authorship, honesty and integrity. But get used to it, this Dynamic Duo isn’t going to change direction. They like garbage, and they will continue to produce it. Thank you.

Linda Newman said she strongly encourages you to recommend the engagement of Davis Farr to provide independent auditing services, to accept the final Moss Adams Report and to include their recommendations in your Annual Committee Report to the Board. Simply stated, our Community has suffered the consequences of a less than competent auditing firm, an IVGID Audit Committee that existed in name only for too many years and Management that operated without any oversight, internal controls or interest in complying with financial transparency and accountability. Tonight, you have the opportunity to set the District on the right path forward and provide a solid foundation for the District’s proper and appropriate accounting and reporting. By recommending to the Board that the District’s 2020 CAFR be revised to comply with GAAP and Best Practices as outlined in the Moss Adams report, you will fulfill your role as an Audit Committee as stated in Policy 15.1 to ensure that those responsible for financial management –auditors, management, and the Board of Trustees –meet their respective responsibilities for internal controls compliance and financial reporting. Now is the time for our CAFR to provide complete and accurate information that is transparent about the use of our tax, fee and ratepayer money with a detailed accounting of all expenditures to ensure that the State, the County, our Board, our citizens and our creditors have meaningful information on our District’s financial condition and performance. Collectively, this Committee has more academic credentials, accounting, auditing, project management, IT, Utility, Investment and leadership experience and expertise than our Board and current Senior

Management. Thank you Trustees Dent and Schmitz for all of your efforts and Mr. Aaron, Mr. Dobler and Mr. Tulloch for generously volunteering your time and talents to improve our District's performance and accountability.

Mike Abel said aside from the fact that IVGID Managers have provided our residents with 100+ pages in the 2019-2020 CAFR, it leaves out many important details. I also refer back to Mr. Warrens comments on the incorrect numbers on many important aspects of IVGID's operations. A proper CAFR should include the significant financial events which have and will impact IVGID's financials. Example should include:

1. Ongoing litigation and what impact it might have on IVGID's finances
2. The escalation of projected costs on the replacement of the effluent pipeline and pond liner
3. The firing of IVGID staff lawyer and its financial impact plus severance fees.
4. Planning of the replacement and cost escalation of the Burnt Cedar pool replacement
5. The \$1.1 million authorization to repair the aged tennis center

How can the public know what is going on within the community if IVGID management only gives the public a lot of excess and mostly superfluous financial information but no nuts and bolts information on, what is happening with IVGID's ongoing operations? The public is entitled to a real CAFR whether it reflects favorably or unfavorably on management and the Trustees. In the interest of brevity, I want to relate my further comment only to Mr. Dobler's memo of 2/1/21 on page 91 of the audit committee packet. I have the highest respect for Mr. Dobler's comments and opinions both as a fellow resident and a CPA. The Audit Committee and board should follow most all of Mr. Dobler's suggestions. Significantly, (bullet point #2) IVGID's dishonest capitalization of \$3.17 million in pipeline related costs that should have been expensed. This must be corrected and IVGID should conform to GAAP by not capitalizing expenses of non-durable items. Finally, (bullet point #3) where Mr. Dobler has found that IVGID has changed their financial reporting by shoving all of the Annual rec fees into a single operating fund, (rather than splitting the monies into the three funds – operations – capital expenditures and Debt service fund). This has inflated the operating funds balances by \$3.5 million, indicating that IVGID's operations are well in the black which is just not accurate and not in conformance with GAAP or GASB.

Margaret Martini said through five years of Eide Bailly audits, our 2016 CAFR had to be restated, and our 2019 and 2020 CAFR had to report prior period adjustments to correct Management's improper accounting and reporting practices. These

corrective actions were the result of our citizens' intensive research and unrelenting determination to improve our District's financial reporting and compliance with NV Law, GASB Statements and District Policies and Practices. Through the efforts of our active, engaged and knowledgeable community members, three Trustees took the initiative to support the creation of an effective Audit Committee and the engagement of an independent auditing firm to evaluate contentious accounting and reporting practices as well as the District's contract management and controls. No surprise that the independent experts validated our citizens concerns about the District's lack of internal controls and improper accounting practices. As a result, Eide Bailly who had relied upon Management's representations, were confronted with independent expert review and suddenly acknowledged the District's lack of internal controls, inability to properly capitalize assets and produce complete and accurate financial statements in a competent and timely manner for their auditing review. She supports the engagement of Davis Farr for our 2021 Audit, the Moss Adams Final Report and observations, as well as your annual letter to the Board along with the inclusion of all the Moss Adams recommendations contained in their report. After too many years of Management misrepresentations to a less than diligent auditing firm and CAFRs with financial statements and notes that have no financial integrity, she asks you to take the lead now to fix the mistakes of the past in the 2020 CAFR. It is the right thing to do:

Aaron Katz asked if District General Manager and District General Counsel were present? Who asked District General Counsel to be there? He takes direction from the Board so who asked him to be there? He is assuming it is the District General Manager and, if this is the case, then he is working for Staff and that is a problem because he should be working for the Board. On the certificate of excellence – you have to pay a fee for this award and it takes hours and hours of Staff time to comply and then there is an application fee plus a membership fee. When a Certificate of Excellence is issued with the Director of Finance get his own personal copy of the certificate which is a waste of money? Would like to know how much is spent on achieving this certificate? It costs over \$4,000 a year to be a member of the Nevada League of Cities.

C. APPROVAL OF AGENDA (for possible action)

Audit Committee Chairman Dent asked for any changes; there were none so the agenda was approved as submitted.

D. GENERAL BUSINESS ITEMS (for possible action)

D.1. Review, discuss and provide a recommendation of Audit Firm to provide Independent Audit Services for Fiscal Year Ending June 30, 2021 (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio gave an overview of the submitted material. At-Large Audit Committee Member Dobler said what he basically did was that he looked at Davis Farr and their experience. They have a tremendous amount of experience in the utility area and then looked at enterprise fund and they have several municipalities in that area which were diverse. He thinks they fit the bill and wasn't concerned about cost and he likes the idea that they are stable and not part of a merger of firms. At-Large Audit Committee Member Aaron said he agrees with At-Large Audit Committee Member Dobler and will add a few more considerations – what stood out to him is that the Senior Manager said they had experience with Tyler Muni systems and that is a big one for him. Another big one was 10 years' experience in auditing the Rose Bowl and their concessions which is a large entity and is in line with our venues. They are focused on governments and government audits. His only suggestion is the team they proposed had one field supervisor and one auditor; he would like to start off with two auditors and one field supervisor – he likes them and recommends moving forward with them. At-Large Audit Committee Member Tulloch said he is happy with the recommendation. Audit Committee Chairman Dent asked District General Counsel if there was action required. District General Counsel Nelson said that Staff is looking for a motion. Director of Finance confirmed that a motion is the desire. At-Large Audit Committee Member Dobler asked if the motion is for a one year or a five year contract. Audit Committee Chairman Dent said it is for the five year contract however the Board authorizes it one year at a time. Director of Finance Navazio confirmed that the proposal was for five years and that it is his suggestion is that we would be able to do a multi-year contract without boundaries, lock in their fees, and then we re-up each year based on performance. District General Counsel Nelson said that the agenda item was for this fiscal year.

Trustee Schmitz made a motion that the Audit Committee recommends to the Board of Trustees that we engage DavisFarr LLC as our new independent auditing firm. At-Large Audit Committee Member Dobler second the motion. Audit Committee Chairman Dent

asked for further comment, hearing none, he called the question and the motion was passed unanimously.

D.2. Review, discuss and accept the Moss Adams Final Report dated January 14, 2021 regarding the Evaluation of Certain Accounting and Reporting Matters as submitted by Moss Adams LLP Representative Jim Lanzarotta along with observations and supplemental review including 20 additional concerns about the District's accounting and reporting practices (Requesting Audit Committee Member: Trustee Sara Schmitz)

Trustee Schmitz gave a review of the submitted materials. At-Large Audit Committee Member Dobler said he wanted to add that in reading the report, Mr. Lanzarotta took the incentive to look at the CAFR in general and pointed out several items which At-Large Audit Committee Member Dobler went over. He went beyond the four items and included an additional three items. Within the 20 items, about 15 he said should be addressed in a subsequent CAFR - those had to do with the 2019 CAFR and that would be in the 2020 CAFR - and that hardly any of those were included in the 2020 CAFR. At-Large Audit Committee Member Tulloch said he echoes Trustee Schmitz' comments and that we are duty bound to honor the acceptance. Moss Adams should be commended and we should accept the report and implement all those recommendations. At-Large Audit Committee Member Aaron said that the Moss Adams highlights the four items – these are the four points that Moss Adams recommended consider or implement in a subsequent year in 2020 but not all those points that follow? At-Large Audit Committee Member Dobler said they were engaged to do four items and, given the opportunity, they would discover others which they would mention. Yes, the report was for four items but there were other items that they commented on. Trustee Schmitz said the scope was for four items and Mr. Lanzarotta offered to do other things as a value add and thus he didn't see the need to prepare another scope of work. At-Large Audit Committee Member Aaron said what we are recommending here is the four points and not all twenty. Audit Committee Chairman Dent said this is about the Moss Adams report and accepting it. At-Large Audit Committee Member Aaron said four items and not full list. Audit Committee Chair Dent said the report started at four items and crept to six or seven items so the motion should be to accept the report. At-Large Audit Committee Member Aaron said so the four points and the motion needs to be clear on that.

Trustee Schmitz made a motion to accept the final Moss Adams report with the additional spreadsheet of the questions and clarifications that include the additional items. At-Large Audit Committee Member Dobler seconded the motion. District General Counsel Nelson asked Trustee Schmitz if we could clarify by referencing the report pages, as identified as pages 9 – 37, in the packet so there is no question about the document we are talking about. Trustee Schmitz said absolutely and did her motion once again – Trustee Schmitz made a motion that the Audit Committee accept the final deliverable for the Moss Adams project, that report can be found on agenda packet pages 9 through 37 in addition to the additional value provided by Moss Adams beginning on agenda packet page 86 through 90. At-Large Audit Committee Member Dobler seconded the motion. Audit Committee Chairman Dent asked for any further comments; receiving none, he called the question – the motion was passed unanimously.

D.3. Review, discuss, and possibly take action on the report on the 2019/2020 Comprehensive Annual Financial Report written by Audit Committee At-Large Member Cliff Dobler (*Reference Policy 15.1.0, paragraph 2.0 – Scope of Audit Committee’s Authority and Responsibilities, subparagraph 2.4 Facilitate the external audit process, subparagraph 2.4.6 Submit a written annual Audit Committee Report to the District’s Board of Trustees in conjunction with the presentation of the annual audit*)

At-Large Audit Committee Member Dobler gave his overview of the submitted materials and asked if there were any concerns. At-Large Audit Committee Member Aaron said he had some concerns. At-Large Audit Committee Member Dobler said to keep in mind that we are going to make some recommendations to the Board and most items will be covered in the letter and let’s go through the recommendations. At-Large Audit Committee Member Aaron said regarding the four recommendations on agenda packet page 91; what he wants to understand is that we are not really ready to recommend to the Board of Trustees that they accept this CAFR because it has these four points that need to be addressed and that they need to be addressed before the Audit Committee releases the CAFR to the Board of Trustees for their consideration, is that correct? Audit Committee Chair Dent said that the Audit Committee put a report together and these are the recommendations that we are going to make to the Board of Trustees on potential action for the meeting this evening and it sounds like At-Large Audit Committee Member Dobler is willing to work through each of these four

items. At-Large Audit Committee Member Aaron said these changes are ones that we want to make – lots of questions about what this entails. He understands that these are issues and they need to be addressed and quite possibly this is taken care of the 2020/2021 report or taken care of before the 2019/2020 CAFR is ready for prime time. Trustee Schmitz said you are jumping ahead as this item is asking if everyone is okay with the report that has been put together by At-Large Audit Committee Member Dobler. At-Large Audit Committee Member Aaron said yes but there needs to be some discussion. At-Large Audit Committee Member Dobler asked that it be kept with the Audit Committee as he has no idea why Ms. Williamson is on the call and he wants to keep it with the Audit Committee members only. At-Large Audit Committee Member Tulloch said that he agrees with recommendation two as it was a convenient way to dip into monies collected and can't understand why there was some reluctance to do this and take those write offs this year. At-Large Audit Committee Member Dobler said our job is to be sure that the annual financial statements are in compliance with GASB and GAAP. At-Large Audit Committee Member Aaron said that Mr. Lanzarotta used a terms called judgment and that there is GAAP and then the management decision. When the decision was made to account for these transactions it was because this project was going to start. Were these legitimate costs that could be capitalized? We need to get past that first hurdle and then it was assumed that we need to get this project going. Lean towards these were properly capitalized. At-Large Audit Committee Member Tulloch said if it was the case that the project had gone ahead, he could make an argument for this, but it hasn't, can argue it either way. Capitalization is not something you can change because you write policies. At-Large Audit Committee Member Dobler said that we started collecting monies to build a pipeline, we didn't build any pipeline for 5 years, we were doing this on behalf of a consent order, the proposal was that we collect for 10 years and then have \$23 million – we did none of that – he then continued his overview. Director of Finance Navazio said that Staff believes, and he believes that Eide Bailly concurs but they can speak for themselves, that we made every effort to incorporate the Moss Adams recommendations into the 2020 CAFR including those in the first bullet which asked for a footnote which was included. The item about the facility fee is a really good one, but when the Board adopted the 2019/2020 budget, it was collapsed into one fund and we don't think we need to have a capital and debt fund on the fee because of the Board policy but we have chosen to do that. Those fees are not legally restricted to capital and debt and had we collapsed them into an operating fund it would have been appropriate to record them as such. His bottom line is to acknowledge the comments and concerns, we agree that

there is understanding that we would be incorporating the Moss Adams recommendations into this CAFR particularly on those first four points and we made every effort to do that and that the part of the Moss Adams that speaks to the other 20 points, we didn't receive those until last week, and first time in a packet, said these should be considered in the future and not done now as is being suggested and noted that Moss Adams said that these comments should be taken up with the new auditor. Trustee Schmitz said her understanding is that the prior CAFRs, even when they had the split of capital and debt, still don't meet the requirements of the substantial portion. At-Large Audit Committee Member Dobler said that is the problem because the entire thing was all fake, never qualified for special revenue fund, only way around it was to pick up all revenues for all three funds, and that if Staff had done it properly, we would have never been able to be in a special revenue fund. Trustee Schmitz said her point is that these two points, in bullet 1, is that it has been incorrect since 2016 in CAFR and that it is incorrect since the time we changed from enterprise fund accounting. At-Large Audit Committee Member Dobler said that is correct. Ms. Williamson said that the statements are in compliance with GAAP and the funds are as well, she went over that previously, and that the District is in compliance. On the third bullet point, it was properly presented. At-Large Audit Committee Member Dobler asked Ms. Williamson if she disagrees with the Moss Adams report and that you can't back it up with anything. Ms. Williamson said they were reported as revenue in the special revenue fund and that it is not how they are committed. She said that she does agree with 90% of the Moss Adams report, understands they say 20% is not a rule but rather a guide. She believes the facilities fees are committed, she believes it is properly presented, and that they are committed. Director of Finance Navazio said regarding the resolution for special revenue funds, he would point out that the Moss Adams report as we showed them the resolution and documents, Moss Adams said if the Board added a sentence, in the resolution, that said only can be used for those purposes in the resolution. The question for the Board is are the charges for recreation and beaches can be spent on anything or spent only on recreation and beaches which means it doesn't meet the 20% threshold. Trustee Schmitz said, and directed her question to Ms. Williamson, when we approve our budget, as Trustees, when we communicate to our community and constituents, it puts it all together. The facility fee is not one fee and it is communicated that this part is for operating, this part is for capital, and this part is for debt. She doesn't understand how you can say it is all lumped together because that isn't how it is communicated. Ms. Williamson said in looking at all the information in total is how she came to that conclusion. Trustee Schmitz said it has been

reported incorrectly for five years, the Board didn't have the opportunity to review it, and they got backed into a corner without any input prior which was goal of Policy 15.1 because management didn't do this and because all said accept Moss Adams, we are now backed into a corner. Her feeling is, as it relates to the CAFR, it is the transmittal letter needs to be rewritten to accurately share all the information in a transparent manner so our constituents can understand and to be transparent and clear. That is the best approach to deal with this given we are backed into a corner. At-Large Audit Committee Member Aaron said he put a lot of hours into a timeline, Audit Committee Chair Dent said build a checklist as it is something that we need to get to better project management. He put together an extensive list as there were a number of management items and if the Audit Committee had a chance to review those items before them being given to the auditor, well, that needs to be addressed in the future. The District's Controller left mid-stream and a lot of that contributed to this slippage. We have to get better on this timing as the timeline that came out on September 1, we missed a lot of milestones and deliverables. At-Large Audit Committee Member Tulloch said he shares the same/similar concerns that Trustee Schmitz and At-Large Audit Committee Member Aaron have shared. Disappointed in having agreed to accepting the recommendations and if Staff doesn't agree with those recommendations made by Moss Adams, to reject them wholesale, he doesn't think that is correct. Director of Finance Navazio said that is an incorrect characterization. At-Large Audit Committee Member Tulloch said ok, he withdraws his statement that was based on your written words. At-Large Audit Committee Member Dobler said he has a fiduciary responsibility which he takes very seriously. He wants to make these recommendations and stand by them – he does not think that the CAFR is proper, period. He would like to have the letter go forward. If the committee doesn't want to, he will vote against it as he thinks the recommendation should be made. Audit Committee Chairman Dent said if we asked that the letter be revised, would that result in no changes to the CAFR. Director of Finance Navazio said he doesn't concur that the transmittal letter is the proper place to do this and he believes that given that the CAFR is issued and as is their opinion. He doesn't think we can change the transmittal letter and republish. We can modify the transmittal letter and provide it to Eide Bailly. This modification would cause all the dates needing to be changed and any change to the document would require changes to the CAFR including the audit report. Ms. Williamson said if there was no representation, she would have to find out as she has never had this happen, so she doesn't know but would imagine that they would update their opinion. Trustee Schmitz said we need to come together and make a

recommendation so let's just put an idea out there. At-Large Audit Committee Member Aaron said (a) make changes or (b) address in 2021. If we go with (a) have to entail what this will require and ramifications of submitting late so there are a lot of things that need to be answered. Throw out to Ms. Williamson or At-Large Audit Committee Member Dobler for their comments. At-Large Audit Committee Member Dobler said it is not in the appropriation so the Board needs to decide that. At-Large Audit Committee Member Tulloch said we should pass this to the Board as contained in the packet along with the recommendations. He understands the concerns, pass the letter as drafted with the recommendations, and if not done this year, they should be incorporated into next year's CAFR. Trustee Schmitz said she agrees with At-Large Audit Committee Member Tulloch as we do need to include direction that the capitalization needs to be addressed in next year's CAFR. We can't go with all of these recommendations as that would be telling them we want the CAFR completely redone.

At-Large Audit Committee Member Dobler made a motion to send forward Exhibit One and four recommendations to the Board of Trustees. At-Large Audit Committee Member Tulloch seconded the motion. Audit Committee Chairman Dent called the question - At-Large Audit Committee Members Dobler and Tulloch voted in favor of the motion; Trustee Dent, Trustee Schmitz and At-Large Audit Committee Member Aaron voted in opposition to the motion – the motion failed.

Trustee Schmitz made a motion to send At-Large Audit Committee Member Dobler's letter onto the Board of Trustees with the recommendation that the transmittal letter be modified to identify all of the concerns and issues that have been brought forward and the action that needs to be taken in future years to deal with capitalization so our constituents can be fully informed of what has transpired since 2015 with our CAFRs and how we intend to change that going forward. At-Large Audit Committee Member Aaron seconded. At-Large Audit Committee Member Tulloch clarified that these changes will be made in future years. Audit Committee Chair Dent said that is correct. At-Large Audit Committee Member Tulloch, Trustee Schmitz, At-Large Audit Committee Member Aaron, and Trustee Dent voted in favor. At-Large Audit Committee Member Dobler voted in opposition. The motion was passed.

E. LONG RANGE CALENDAR REVIEW

Audit Committee Chair Dent went over the long range calendar and stated that their next meeting will be held on March 10. At-Large Audit Committee Member Dobler said he has four pieces of correspondence that are not included; Audit Committee Chair Dent said they will be included on the March 10 meeting agenda.

F. APPROVAL OF MEETING MINUTES (for possible action)

F.1. Audit Committee Meeting Minutes of January 20, 2021

Audit Committee Chair Dent asked for changes, none were received, the minutes are approved as submitted.

G. PUBLIC COMMENTS*

Linda Newman said she would like to thank Mr. Dobler for his extreme diligence and express her disappointment that all members of the Audit Committee did not support his motion to send the AC report with all recommendations to the Board. It is her understanding that our CAFR must provide complete and accurate information that is transparent about the use of our tax, fee and ratepayer money in compliance with GAAP, GASB and State law. By deferring action on recommending substantive revisions to the 2020 CAFR, you are not providing our State, our County, our Board, our Citizens and our Creditors with meaningful information on our District's financial condition and performance.

H. ADJOURNMENT (for possible action)

The meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.