



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6:00 p.m. on **Wednesday, January 22, 2020** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*
- C. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

Public Comment Advisory Statement – *A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chair may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.*

- D. APPROVAL OF AGENDA *(for possible action)*

The Board of Trustees 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 Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

- E. DISTRICT STAFF UPDATE *(for discussion only)*
 - 1. Interim District General Manager Indra Winquest – **pages 5 - 18**
- F. REPORTS TO THE BOARD OF TRUSTEES*
- G. CONSENT CALENDAR *(for possible action)*

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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Excerpt from Policy 3.1.0, Conduct Meetings of the Board of Trustees

0.15 Consent Calendar. In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar." A memorandum will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the general business section of the meeting.

1. Acknowledgement of Receipt of Letter dated December 24, 2019 from the State of Nevada, Department of Taxation re: Medium-Term Financing – Lease Purchase Agreement, Fifty-eight (58) EZ-Go Gas Powered Golf Carts signed by Melanie Young, Executive Director, Department of Taxation – Nevada Revised Statute 350.089 – **page 19**
2. Report of Sample “Popular Report” format for District Capital Improvement Projects as of June 30, 2019 – **pages 20 - 25**

H. GENERAL BUSINESS (*for possible action*)

1. Receive, discuss and direct Staff to file the June 30, 2019 Comprehensive Annual Financial Report including an Unmodified Report by the District’s Auditor, as required by NRS 354.624. (Requesting Staff Member: Interim District General Manager Indra Winquest) – **pages 26 - 133**
2. Review, discuss and possibly select a preferred alternative for the Incline Beach House – A Community Services Master Plan Priority Project to include in the 5-year Capital Improvement Plan Budget (Requesting Staff Member: Engineering Manager Nathan Chorey) – **pages 134 - 140**
3. Review, discuss, and provide further direction for consideration of possibly seeking a request for proposals to conduct a review of District Internal Controls (Requesting Trustee: Chairwoman Kendra Wong) – **pages 141 - 161**
4. Review, discuss, and possibly provide direction for the next step in the process to revise Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District which includes but is not limited to setting a public hearing date for February 26, 2020 (Requesting Staff Member: Interim District General Manager Indra Winquest) – **pages 162 - 198**
5. Case No. CV18-01564 Mark E. Smith v. IVGID – **page 199**
Review, discuss and possibly approve providing Interim District General Manager Winquest with a not-to-exceed \$7,500.00 in legal fees and costs to cover fees that were not budgeted as of the last update (Requesting Staff Member: Interim District General Manager Indra Winquest)
6. Case No. CV18-01564 Mark E. Smith v. IVGID – **page 200**
Review, discuss and possibly approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization) (Requesting Staff Member: Interim District General Manager Indra Winquest).

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7. Election of Board of Trustees Officers for the 2020 Term - effective January 23, 2020 (Requesting Trustee: Chairwoman Kendra Wong) – **page 201**
8. Review, discuss and possibly appoint Audit Committee Members for the 2020 Term – Effective January 23, 2020 (Requesting Trustee: Chairwoman Kendra Wong) – **pages 202 - 205**
- I. APPROVAL OF MINUTES (*for possible action*)
 1. Regular Meeting of December 11, 2019 – **pages 206 - 253**
 2. Special Meeting of December 18, 2019 – **pages 254 - 286**
- J. REPORTS TO THE IVGID BOARD OF TRUSTEES*
 1. District General Counsel: Law Firm of Hutchison & Steffen
- K. BOARD OF TRUSTEES UPDATE (**NO DISCUSSION OR ACTION**) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*
- L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see **Public Comment Advisory Statement** above.
- M. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (*for possible action*) – **page 287**
- N. ADJOURNMENT (*for possible action*)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, January 17, 2020 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of January 22, 2020) 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 seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley's Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID's Recreation Center
7. The Chateau at Incline Village

/s/ Susan A. Herron, CMC

Susan A. Herron, CMC

District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: Kendra Wong, Chairwoman, Tim Callicrate, Peter Morris, Matthew Dent, and Sara Schmitz.

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



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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.yourtahoeplace.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.

**NRS 241.020(2) and (10): 2. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting ...10. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to: (a) Disasters caused by fire, flood, earthquake or other natural causes; or (b) Any impairment of the health and safety of the public.*

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of January 22, 2020

DATE: January 10, 2020

Capital Projects Update January 10, 2020

Design

Tennis Center Renovation

The Board approved on June 19 for staff to begin the design of the tennis center renovation. The architectural, design and permitting services scope of work was approved at the August 14 BOT meeting with the removal of Bocce Courts. The key project objectives are renovation of the pro-shop buildings and surrounding site to renovate aging restrooms, expand the pro-shop by enclosing outdoor kitchenette area, expand and enhance the deck area, improve wayfinding and flow of traffic through the Tennis Center. The Board selected a design development alternative on November 13. Engineering will complete design, submit for permits, and bring the final design back to the Board prior to advertising for bids.

Construction

WRRF Aeration System Improvements

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six-200,000-gallon aeration basins with two jet aeration clusters per basin. These clusters utilize pressurized air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms. The pressurized air is delivered by multistage centrifugal blowers that are metered by electronically operated valves in order to keep the correct balance of oxygen in the aeration basins at all times. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting is being scheduled for the middle of January.

Water Reservoir Safety and Security Improvements

This project would replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices. The exterior access to the roof area is required to meet the needs of the District to monitor the water quality in the reservoirs and perform routine repairs to radio communication equipment. The ladders also need to be secured from access by the public. The reservoir ladders, fall protection, platforms, and protective railings will meet the current Occupational

Safety and Health Administration (OSHA) safety standards. The Board awarded the contract to Resource Development Company on April 10, 2019. Construction began this summer and is expected to be substantially complete by June 30, 2020.

WPS 2-1 Incline – (Adjacent to Burnt Cedar Beach)

Water Pump Station 2-1 (WPS 2-1) is located at the Burnt Cedar Water Disinfection Plant (BCWDP) and pumps the disinfected potable water into the water distribution system to serve Incline Village and Crystal Bay. WPS 2-1 was largely constructed in 1972 with minor upgrades in 1995 and 2012. The electric motor control centers (MCCs) and switchgear at WPS 2-1 date to the original 1972 installation. This equipment does not meet modern OSHA requirements for Arc Flash safety and the MCCs and switchgear is at the end of its service life and no longer supported by the respective manufacturers. Jacobs Engineering completed the design. The Board awarded the contract on August 28, 2019 to San Joaquin Electric. Notice to proceed was issued on September 9 and project completion is April 2020. Site mobilization is scheduled for late January with a February construction period.

Mountain Course Clubhouse Renovation

On August 11, 2018 a fire occurred in the Mountain Course Clubhouse which led to the closing of the kitchen area. The Board approved renovation plans include a revised allocation of floor space, changes to access and substantial change to customer flow. A new ADA accessibility to the lower level for food service and construction of a new and expanded deck and the installation of new windows and doors. The Board approved the design on May 22, 2019 and authorized advertising for bids which then occurred on June 21, 2019. The Board awarded the construction contract to Houston Smith Construction at the August 14 BOT meeting. Project is currently in construction with grading, utilities, decking and paving complete. Winter work will be the interior renovation.

Items of Note

Recruitment of New Director of Finance

The Director of Finance position was posted on Wednesday, October 23 with a three week response time. The deadline to apply was November 14. We received 29 total applications. Through a screening process, the list of applicants was reduced to 5 candidates who were all interviewed by two panels. Eventually second interviews took place with the top two candidates. Discussions are currently taking place with our top candidate. Staff hopes to have a more formal update at the January 22nd Board of Trustees meeting.

Burnt Cedar Pool Project Update

Staff is in the final stages of creating an advisory committee that will include staff, board and members of the community. There will be several meetings to discuss the future of the project as well as to determine a range of possibilities for replacement of the pool. Staff is planning to bring back recommendations over the winter with the hope to send out an RFQ for potential firms interested in the design process in the spring of 2020. Staff will continue to update the board and community.

No Smoking Policy Development

In coordination with the North Lake Tahoe Fire Protection District, Staff is working on developing a potential "No Smoking" policy that could apply to all IVGID facilities and venues. There has been recent legislation that refers to smoking near vegetation and this has been a topic of discussion in the community for quite some time. Staff is planning to bring a formal resolution/policy to the Board of Trustees in March.

Update on Mountain Golf Course Maintenance Building Electrical Evaluation

District Staff contracted with an MSA Engineering Consultants to perform a feasibility study for installation of improvements at the Mountain Golf Course to accommodate an electrical fleet of golf carts. The current fleet of golf carts are gasoline and are serviced from the Maintenance Building. Attached to this General Manager's report is the feasibility study describing the existing conditions and needed improvements to the NV Energy Electrical feed and the installation of an electrical charging system. It is not known at this time the extent of building modifications that may be required by Washoe County or North Lake Fire Protection District. This report was to determine the potential cost and feasibility of switching to an electrical charging system to support electrical golf carts; construction costs at this time are estimated at \$240,000.

Update on Bar Services Contract at Burnt Cedar and Incline Beaches

As discussed at the December 11, 2019 BOT meeting, after much consideration and discussion, the district has decided to offer an extension to Incline Spirits to continue to operate the Incline and Burnt Cedar Bar concessions. Staff considered the anticipation of upcoming projects including the potential replacement of the Incline Beach House and the Burnt Cedar Pool, it would be challenge for any new private contractor to assume the contract at this point in time. Staff and the Board agree that a formal process needs to be developed in relation to the frequency that the Districts goes out to Request for Proposal (RFP) for contract services.

Diamond Peak Ski Resort

I have attached the Diamond Peak Ski Resort Status Report for December 2019 to this report; it is also posted on our website under Monthly Status Reports.

Financial Transparency

The Monthly District Financial reports are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency>. The December 2019 financial reports are available online here. Record December Revenue from the Diamond Peak Ski Resort significantly exceeded budgeted levels and added to the increase in charges for services over budget. The internal services revenues are under due to Staff vacant positions causing reduced services. The extra miscellaneous revenue items are in large part of the insurance proceeds for the Mountain Course fire. The year to date Expenses for personnel are under budget including the effects of vacancies. Services and Supplies are under budget and due to temporary timing. Capital Expenditures noted are only for the General Fund and

budgeted evenly over the fiscal year. While extra was spent on the approved server replacement, other projects have not started causing the temporary timing variance for Capital Expenditures.



Incline Village General Improvement District

Mountain Club Golf Course
Maintenance Building
Electric Golf Carts

November 21, 2019

Electrical Systems Feasibility Study

IVGID Project Number: 3241LV1899

EXECUTIVE SUMMARY:

The purpose of this document is to observe and describe the existing electrical system associated at the Incline Village General Improvement District’s Mountain Club Golf Course Maintenance Building and its capability to electrically serve up to (58) electric golf carts. Our survey of this building is to become familiar and briefly describe the existing major electrical power system, including incoming local utility company fed infrastructure, serving this building as well determine its available capacity and necessary upgrades to support the added electric golf carts, replacing the current gas-power golf carts. This document is not intended to identify electrical code deficiencies or recommended electrical system upgrades within this building but rather electrical system modifications/upgrades necessary only related to the added electric golf carts.

On September 30, 2019, Nathan Chorey of IVGID and Tony Price of MSA Engineering Consultants conducted an initial on-site observation of the installed main electrical system related to this building including the utility metered main electrical service and lower level golf cart storage bay areas. A subsequent on-site observation was performed that included Nathan Chorey (IVGID), Tony Price (MSA) as well as Toni Powell and Connor Altenburg of NV Energy. Purpose of this observation was to review the incoming power infrastructure from NV Energy and briefly discuss potential electrical upgrades necessary to serve this building related to the added electric golf carts.

At both times of these observations, no available as-built/existing condition documents indicating the presently installed electrical systems were available. These observations were limited to visual observation of physical conditions only.

EXISTING MAINTENANCE BUILDING ELECTRICAL SYSTEM:

Observations:

The incoming underground electrical system serving the existing Maintenance Building is fed from a single existing NV Energy pad mounted 75 kVA 120/240-volt 1 phase 3 wire transformer; NVE #TS 873. This transformer is located adjacent to existing Clubhouse Building, approximately 50 yards from the Maintenance Building. This transformer also serves (4) other utility metered electrical services including the Clubhouse and (3) cellular carrier providers. NV Energy’s underground secondary service infrastructure includes underground raceways with internal feeders to each metered electrical service.

The existing incoming primary electrical infrastructure from NV Energy consists of an underground primary voltage duct (multiple 4" raceways), originating from Wilson Way. This primary duct system routes below grade, basically along the main entry road into this facility, to an existing underground N-48 style junction box with a manhole cover with lid and then ultimately underground to the existing 75 kVA transformer at the Clubhouse. This N-48 junction box is located approx. 25 yards north from the existing 75 kVA transformer and is within the sloped landscape area between existing parking spaces.

The existing metered electrical service at the Maintenance building consists of a 200-amp 120/240-volt, 1-phase 3-wire meter/main enclosure, as manufactured by Milbank Mfg. Company, and includes a 200 amp / 2-pole main circuit breaker. This meter/main enclosure is located on the east exterior wall, approximately 5 feet left of the existing man door entrance by stairs. This electrical service appears to feed downstream branch circuit type electrical panelboards related to the maintenance building as well as the lower yard fuel dispensing stations.

No existing branch circuit type electrical panels were observed within lower level cart storage bays.

Electrical System Upgrades:

The Maintenance Building's main electrical service is rated for 200 amps. Based on the presumed existing electrical loads this building is using along with proposed (58) electric golf cart being added, new electrical load is calculated at 506 amps. Based on the proposed new added electrical loads, as well as the existing building electrical loads, there is not adequate electrical capacity from the existing 200 amp metered electrical service and will require an electrical upgrade that involves a new 600-amp 120/240-volt, 1-phase 3-wire single utility metered electrical service, 100% rated.

The existing exterior wall mounted 200-amp electrical service will remain as is. However, the NV Energy meter will be removed (by NV Energy) and become an electrical distribution enclosure that ultimately will be back-fed from the new 600-amp electrical service. The existing incoming (1) 3" conduit, routed underground to the existing NV Energy 75 kVA transformer, will be abandoned in place approximately 6" below existing finished grade; service feeders will be disconnected and removed by NV Energy.

This new free-standing metered electrical service location to be in the general vicinity of the Maintenance Building, preferably free-standing against the existing exterior east wall by the existing man door/stairs or if another location is desired by Ownership.

It is anticipated this new metered electrical service will encompass a single rain-tight outdoor rated enclosure with locking doors and will include (2) sections, each being approximately 38" wide, 36" deep and 90" tall (worse case) and will sit atop a 6" raised level concrete housekeeping pad. Section #1 will include a combination utility company pull section with landing lugs and utility metering. Section #2 will include 100% rated distribution type circuit breakers; (1) 200 amp 2-pole circuit breaker to back-feed the existing 200 amp 2-pole main circuit breaker at the electrical distribution enclosure as well as (2) 225 amp 2-pole circuit breakers to ultimately serve (2) new branch circuit panelboards at the lower level, ultimately to serve the added electric golf carts.

(2) new branch circuit electrical panelboards will be added and located centrally within the lower level golf cart storage bay areas. Location of the (2) panelboards are preferred to next each other. Each panel will be 225-amp 120/240-volt 1-phase 3-wire rated, (42) single pole capacity inclusive of (30) 20 amp 1-pole circuit breakers, and 100% rated.

Each of these (2) new branch circuit panelboards will be electrically fed from the new metered electrical service via new 225 amp 3-wire with ground feeders (cabling and raceway), routed overhead within the lower golf cart storage bay open ceiling area.

Additionally, a new pad mounted NV Energy service transformer will be required. This is due to the existing 75 kVA transformer being insufficient to serve the existing (4) metered electrical services (Clubhouse and cellular carriers) and the new loads being added to the Maintenance building including the electric vehicle golf carts; this total load of all facilities including added electric golf carts equals 156.1 kVA. Estimated kVA rating for this new transformer is 150 kVA however kVA rating is ultimately determined by NV Energy. New concrete pad, which new transformer will sit atop is required and is Customer provided/installed per NV Energy standards and installation methods. Transformer shall be provided and installed by NV Energy.

This new service transformer will be served from the existing N-48 style junction box location via new underground (1) 4" raceway and related trench/backfill. Approximately 50 feet of existing asphalt and concrete curbing sidewalk will need to be cut/patch and match to accommodate this new underground NV Energy service feeder. The existing N-48 junction box will need to be modified which includes removal of the existing manhole cover with lid and adding several N-48 type junction box extensions along with a new junction enclosure (junction enclosure by NV Energy) and concrete pad atop to accommodate a new junction enclosure. All underground raceways, trench/backfill, extension rings and junction enclosure concrete pad shall be Customer provided/installed per NV Energy standards and installation methods. Junction enclosure shall be provided and installed by NV Energy.

This new transformer will serve the new 600-amp 120/240-volt 1-phase 3-wire metered electrical service only via new underground (3) 4" raceways and related trench/backfill.

The existing NV Energy 75 kVA transformer shall remain unchanged and will continue to serve the remaining (4) metered electrical services (Clubhouse and cellular carriers).

Refer to 'Electrical Service Exhibit', dated 11/06/2019 indicating both proposed new and existing electrical systems and equipment conditions related to this project.

Additional Non-Electrical Items Required:

In addition to the electrical items described within, other upgrades may be required unrelated to the electrical upgrades; these include:

- Golf cart battery chargers; assumed quantity of (58).
- Overhead structural elements to support battery chargers.
- Exhaust fan(s) for battery charging ventilation; assumed quantity of (4).
- Automatic battery charger power shut off system (hydrogen sensors throughout). Exhaust fans are interlocked with this system and energize when sensors.
- Exterior wall openings and penetrations for added exhaust fan(s); assumed quantity of (4). Work would include new openings along with patch and match of existing interior and exterior wall surfaces.

These added items' costs are inclusive within the electrical opinion of probable costs. These costs are estimates only to establish budgets associated with these added items.

ELECTRICAL LOAD SUMMARY:

NV Energy 75 kVA Service Transformer:

Existing Load:

(Per NV Energy representatives, 10/23/2019)

40.5 kW x .8 power factor x 1.25% safety factor = 63.3 kVA
At 120/240-volt, 1-phase 3-wire = 264 amps

This noted kVA/amps is based on NV Energy provided load profile on this existing transformer. This includes all (5) metered electrical services fed from this single pad mounted transformer.

Maintenance Building:

Existing Electrical Load:

Assume 30% (worst case) of the NV Energy 75 kVA service transformer's existing load is generated from the Maintenance Building; actual load usage is not known based on present utility metering type.

12.2 kW x .8 power factor x 1.25% safety factor = 19.1 kVA
At 120/240-volt, 1-phase, 3-wire = 80 amps

New Branch Circuit Panelboard

(Typical (2) Panelboards)

(29) battery chargers at 13 amps each: 1.6 kVA x 29 x 100% = 46.4 kVA

(2) exhaust fans at 16 amps each: 1.9 kVA x 2 x 125% = 4.8 kVA

Total: = 51.2 kVA

At 120/240-volt, 1-phase 3-wire = 213 amps

New Main Electrical Service

Existing Load: = 19.1 kVA

New Added Load: = 102.4 kVA


Total: = 121.5 kVA

At 120/240-volt, 1-phase 3-wire = 506 amps

Electrical load for each electric golf cart based on E-Z Go Owner's Guide (657039-D Edition, January 01, 2017), Fleet RXV Elite Series, specifically Appendix A, Page A-2, identifying load as 13 amps minimum, 120 volts.

Based on this load summary for the Maintenance Building (506 amps), it is recommended to add a new 600-amp 120/240-volt, 1-phase 3-wire metered electrical service.

20191121-R19063 IVGID Mtn Club Maint Bldg Elec Cart.Op Prob Cost.Final
11/21/2019

	OPINION OF PROBABLE COST	
	PROJECT:	IVGID Mountain Club Golf Course, Maintenance Building Electrical Golf Cart - Electrical Systems Feasibility Study
4599 Longley Lane (775) 828-4889 Reno, NV 89502 Fax: (775) 828-4894 email: tprice@msa-ec.com	MSA #:	R19063
	IVGID #:	3241LV1899
	Phase:	Due Diligence
	Estimator:	TP
	Date:	November 21, 2019

Description (Includes Material and Labor)	Quantity	Unit	Price/Unit	Total
Equipment:				
600 Amp 120/240-volt 1-phase 3-wire NEMA-3R Metered Switchboard	1	ea	\$5,000	\$5,000
225 Amp 120/240-volt 1-phase 3-wire NEMA-1 42-Circuit Panelboard	2	ea	\$2,500	\$5,000
150 kVA Utility Transformer (by NV Energy)	1	ea	\$4,000	\$4,000
Junction Enclosure (by NV Energy)	1	ea	\$4,500	\$4,500
Junction Enclosure Extension Rings and Concrete Pad	1	lot	\$2,500	\$2,500
Raised Concrete House Pad for 150kVA Transformer	1	ea	\$1,200	\$1,200
Ground Rods/Grounding for New Metered Switchboard	1	lot	\$3,200	\$3,200
Subtotal (Equipment):				\$25,400
Feeders / Branch Circuits:				
200 Amp 120/240-volt 1-phase 3-wire Feeder from New Main Switchboard to Existing 200 Amp Distribution Panel (Underground)	30	lf	\$210	\$6,300
225 Amp 120/240-volt 1-phase 3-wire Feeder from New Main Switchboard to Building (Underground, (2) Sets)	60	lf	\$235	\$14,100
225 Amp 120/240-volt 1-phase 3-wire Feeder from Building to New 225 Amp Panelboards (Overhead at Ceiling, (2) Sets)	140	lf	\$225	\$31,500
Underground Trench and Backfill from Junction Enclosure to New Metered Switchboard (Raceway Included)	120	lf	\$100	\$12,000
Sawcut, Patch and Match Existing Asphalt Parking Lot, Concrete Curbing & Concrete Sidewalk	50	lf	\$75	\$3,750
Underground Feeder Cabling from Junction Enclosure to New Metered Switchboard (Cabling by NV Energy)	1	lot	\$21,000	\$21,000
Overhead Branch Circuits for (58) Battery Chargers	58	ea	\$250	\$14,500
Exhaust Fan Branch Circuits	4	ea	\$750	\$3,000
Subtotal (Feeders / Branch Circuits):				\$106,150
Misc:				
Project Coordination and Administration	1	lot	\$3,500	\$3,500
Permit Fees	1	lot	\$2,000	\$2,000
NV Energy Design and Planning Fees	1	lot	\$2,500	\$2,500
Testing, Arc-Flash, Coordination Study for New Metered Switchboard and New Panelboards	1	lot	\$7,500	\$7,500
Demolition of Partial Underground Feeder from NV Energy's 75kVA Transformer to Distribution Panel	20	lf	\$75	\$1,500
(29) 20 Amp 125-volt, Grounded 3-prong Commercial Grade Receptacles and Backboxes (Ceiling Mounted) (2-circuit per Receptacle)	29	ea	\$100	\$2,900
Golf Cart Battery Charger	58	ea	\$450	\$26,100
Overhead Structural Element to Support Battery Chargers	1	lot	\$6,000	\$6,000
Exhaust Fan (Battery Charger Exhaust/Ventilation)	4	ea	\$4,000	\$16,000
Automatic Power Shut Off System for Battery Chargers	1	lot	\$5,000	\$5,000
Exterior Wall Openings for New Exhaust Fan	4	ea	\$3,500	\$14,000
Subtotal (Misc):				\$87,000
Overall Electrical and Misc Items Opinion of Probable Cost:				
Subtotal				\$218,550
Contingency (10%)				\$21,855
Total:				\$240,405
Total does not include any costs for a new fire sprinkler system				

ELECTRICAL SERVICE EXHIBIT



**MSA ENGINEERING
CONSULTANTS
11/06/2019**

MEMORANDUM

TO: Indra Winquest
Interim General Manager

FROM: Mike Bandelin
General Manager, Diamond Peak Ski Resort

SUBJECT: Diamond Peak Ski Resort Status Report for December 2019

DATE: January 7, 2020

Ski Season Passes Sold	2018/19 YTD	2019/20 YTD
Total Passes	4,650	6,102
Resident Passes	2,327	2,847
Non Resident Passes	2,323	3,255
	Dec 2018	Dec 2019
Skier Visits	26,646	31,548
Resident Tickets Sold	2,393	3,283
Ski and Snowboard Lessons	3,988	3,891
Equipment Rental Units Sold	7,591	7,984
Main Lodge Guest Checks	16,187	17,203
Snowflake Guest Checks	2,793	4,315

The Mountain

Diamond Peak opened for its 54th season 5 days earlier than our planned date of December 12th with 4 lifts operating including Schoolhouse, Lodgepole, Lakeview and Crystal Express. Ski trails offered for opening day included Crystal Ridge, Luggis, Powder and Sunnyside on the Upper Mountain and Schoolyard, Lodgepole, Freeway, Ridge, Popular on the Lower Mountain.

With over a foot of snow falling on December 8th and continuous snowmaking efforts, the Great Flume trail was opened for skiing on December 20th (one of the earliest opening of the trail since it was built in 1987) followed by Lakeview trail on December 25th, Village and Wiggle opened on the 28th and that day we were able to report 100% of the mountain open to our community. Last season, it wasn't until January 7th that we announced 100% of the mountain open.

Season to date snowmaking operations included a startup run at the end of October for 92 hours. Beginning on November 20th we had a successful 9 day run for 226 operating hours. Operations were back online beginning on December 14th through December 26th for 172 hours, for a total year to date snowmaking run time of 490 hours and a season to date total of 25 days of snowmaking operations. Very good snowmaking conditions, natural snow and the addition of the 4 new fan guns to the fleet, allowed Staff to provide an excellent product to our guests for the Holiday Season.

Visitation

The ski area operated for 25 days in December for a total visit count of 31,548, an 18% increase over the December 2018 visit count and just over the 5 year average of 30,360. During the Holiday period beginning on December 21st through January 5th skier visits totaled 32,962 nearly identical to last year's Holiday visit count of 32,635.

Season Passes

Ski Season pass sales year to date total 6,102 with 2,847 of those being Resident Ski Passes. Over a 30% increase in total Ski pass sales for the year to date period.

Ski & Snowboard Centers

Lessons taught for the month of December were 3,891, down slightly as compared to last December. During the Peak period we taught 1,359 Sierra Scout lessons which is our most popular lesson product. Our Adult group lesson package including rentals and a lift ticket is also popular with our guests and, for the month of December, 848 lessons were taught. During December, 12% of the customers were taught in our Ski and Snowboard Centers.

Equipment Rental

Customer Rental units used for the month were nearly 5% better than December last season, with 25% of the total skier visit count using our rental equipment.

Safety

The ski area focuses on the safety of our staff members as well as our guests. We begin the season and practice through the season with management staff conducting regularly scheduled employee safety talks each and every Saturday morning. Topics may include Kids on Lifts, Slips and falls, Hydration, Lids on Kids, Situational Awareness, Food Safety and Skier Responsibility to name a few.

Food and Beverage

With Lakeview lift operating on opening day we were able to begin Snowflake lodge food and beverage offerings on December 7th. During December, the Main Lodge Provisions outlet operated with addition of new digital menu boards, providing a new look to the operation. Wild Bills BBQ is open on weekends and during peak periods throughout the season and the Loft Bar and sun deck are open daily.

Event Calendar Summary

Jan 8 th	55+ Ski Clinics Wednesdays through Apr 10 (excluding some Wednesdays)
Jan 10 th	Moonlight Snowshoe Hike to Snowflake Lodge
Jan 17 th	20 th – Martin Luther King Peak Days
Jan 24 th	10th Annual UllrFest
Jan 25 th	Ski Safety Day
Feb 1 st	Last Tracks Wine & Beer Tasting begin
Feb 8 th	Interpretive Ski Tour at 10:30am
Feb 3 rd – 9 th	IVGID Community Appreciation Week
Feb 7 th	Moonlight Snowshoe Hike to Snowflake Lodge

You can view our full calendar of events and details at [DiamondPeak.com /events](https://DiamondPeak.com/events)



STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>

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STEVE SISOLAK
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JAMES DEVOLLD

Chair, Nevada Tax Commission

MELANIE YOUNG

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December 24, 2019

Gerald W. Eick, Director of Finance
Incline Village General Improvement District
893 Southwood BLVD
Incline Village, NV 89451

Re: Medium-Term Financing – Lease Purchase Agreement
Fifty-eight (58) EZ-Go Gas Powered Golf Carts

Dear Mr. Eick:

The Department of Taxation has received the request from Incline Village GID for Lease Purchase Agreement in the amount not to exceed \$204,627.16, at an annual interest rate not to exceed 5%. The purpose for which the funds are to be used is the acquisition of a fifty-eight (58) EZ-Go gas powered golf carts for the use at the Mountain Golf Course. This medium-term financing will be repaid over four (4) years with minimum future lease payments totaling \$121,605.12 (\$2533.44 for 48 Months)

The request has been reviewed as required by NRS 350.089 and is approved.

Pursuant to NRS 350.089, the approval must be recorded in the minutes of the governing body, and the financing must be secured within eighteen months of the receipt of this approval.

If you have any questions regarding this matter, please do not hesitate to call Kelly Langley in the Local Government Finance Division at 775-684-2073.

Sincerely,

Melanie Young
Executive Director, Department of Taxation

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
Interim General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Report of Sample "Popular Report" format for District Capital Improvement Projects as of June 30, 2019

STRATEGIC PLAN: Long Range Principle #2 - Finance

DATE: December 30, 2019

I. RECOMMENDATION

Staff has no specific recommendation at this time. The Board of Trustees asked to see an example of the new format as of June 30, 2019.

Staff reports:

1. The objective of reporting on results can be fit into a fairly compact format.
2. The updated definitions are attached. We recommend adding "In Progress". Note the multi-year phase definitions are still being verified and are not presented.
3. Communication for change management and the estimation process for carryovers applies to the report when developed for budgeting. Those formats will be presented in March.

II. DISTRICT STRATEGIC PLAN

"Utilize Annual and Interim financial reports to build understanding of the different aspects between operations, capital improvement and debt service."

D. Actively manage planning and financial reporting to inform decision makers to sustain a strong financial base for operations, while increasing net

assets, and maintaining care and condition of capital assets and infrastructure.

1. Prepare standard format and popular reporting presentations of financial position and results of operations to inform users about budget to actual results, capital project status and relevant performance measures.

2. Utilize the District's Financial Transparency website to provide ready access to a variety of reports and information to support a greater level of detail than standard reports allow.

III. BACKGROUND

During 2017, the Board of Trustees, General Manager, and Staff opened the discussion of developing a series of popular reports to provide an alternative way to present financial and other information from those prescribed by the State of Nevada Department of Taxation forms and the annual audit report. By avoiding a prescribed format, the desire was to give a quick overview of the District's financial status. If more information was desired, a user could then refer to the multiple other forms that exist including the Financial Transparency website.

The General Manager Committee reviewed examples from other agencies. Their 2017 status report was updated to reflect developing this example for discussion. Popular Reporting was included in the Board Work Plan for 2018. Staff has used some of the fundamentals discussed in quarterly reports issued over the least two years. A sample report was distributed September 25, 2019 and the Board of Trustees discussed and determined that it would be beneficial to take the submitted report and enter several project examples so that further discussion could occur. Another sample was presented December 11, 2019, and resulted in the format presented for January 15, 2020.

Incline Village General Improvement District

Capital Improvement Projects Report to the Board of Trustees

For the Year Ending June 30, 2019

DESCRIPTION	PROJECT #	Prior Year		Current Year			Carry over to next year	Adjusted Budgeted Expenditures	Fiscal Year Expenditures	Variance	Status
		Original Budget	Carry Forward	Budgeted	Projects Cancelled	Adjustments					
General Fund:											
A.V. Building Immediate Term Maintenance Administration Fire Panel Replacement	1099BD1704	54,000	43,700	-	-	-	-	43,700	41,837	1,863	Completed
Digital Records Management System	1099BD1803	18,000	-	18,000	-	-	-	18,000	18,000	-	In Progress
Replace Carpeting 893 Southwood Admin Building	1099CO1802	75,000	-	75,000	-	-	(75,000)	-	-	-	Carry Over
Pavement Maintenance - Administration Building	1099FF1503	51,500	-	51,500	(51,500)	-	-	-	-	-	Cancelled
Check Writer Printer Replacement	1099LI1705	5,000	-	5,000	-	-	-	5,000	5,135	(135)	Completed
IT Master Plan - IT Security Devices	1212OE1601	6,000	-	6,000	-	-	(6,000)	-	-	-	Carry Over
District Communication Radios	1213CE1101	15,000	-	15,000	(15,000)	-	-	-	-	-	Cancelled
District Wide PC, Laptops, Peripheral Eq. and Desk Top Printers	1213CE1701	6,000	-	6,000	-	-	-	6,000	7,350	(1,350)	Ongoing
Email Security Gateway	1213CO1703	82,750	-	82,750	-	-	-	82,750	35,761	46,989	Ongoing
Human Resource Management and Payroll Processing Software	1213CO1801	13,000	-	13,000	-	-	-	13,000	13,174	(174)	Completed
	1315CO1801	120,000	-	120,000	-	-	(120,000)	-	-	-	Carry Over
Total General Fund		446,250	43,700	392,250	(66,500)	-	(201,000)	168,450	121,257	47,193	
Beach Fund:											
Burnt Cedar Food & Beverage Customer Improvements	3939BD1803	\$ 10,000		\$ 10,000			(8,650)	1,350	\$ 1,750	(400)	Carry Over
Burnt Cedar Swimming and Toddler Pool Resurface and Mech. Improv.	3970BD2601	75,000		75,000				75,000	119,497	(44,497)	Multi-Yr
Pavement Maintenance, Ski Beach	3972BD1301	33,500		33,500				33,500	21,737	11,763	Ongoing
Beaches Flatscape and Retaining Wall Enhancement and Replacement	3972BD1501	55,000		55,000				55,000	55,200	(520)	Ongoing
Beach Furnishings	3972FF1704	58,400		58,400			(20,000)	38,400	36,505	1,895	Carry Over
Pavement Maintenance, Incline Beach	3972LI1201	26,500		26,500				26,500	1,550	24,950	Ongoing
Pavement Maintenance, Burnt Cedar Beach	3972LI1202	72,500		72,500			(50,000)	22,500	12,407	10,093	Carry Over
Kayak and Paddle Board Rack Enhancements	3972LI1801	30,000		30,000				30,000	23,032	6,968	Ongoing
Fall protection for Beach Venues	3999BD1802	12,000		12,000				12,000	11,700	300	Completed
Incline Beach Facility Study	3973LI1302	50,000	30,000				(29,400)	600	600	-	Carry Over
Total Beach Fund		422,900	30,000	372,900	-	-	(108,050)	294,850	284,298	10,552	
Internal Services Fund											
Total Internal Services Fund		-	-	-	-	-	-	-	-	-	
Championship Golf:											
Demolition of #10 Starter Shack	3141BD1703	10,000		10,000				10,000	\$ 10,389	(389)	Completed
Venue Signage Enhancement	3141BD1706	20,000		20,000			(20,000)	-	-	-	Carry Over
Champ Golf Exterior Ice-maker Replacement	3141FF1804	7,500		7,500				7,500	9,844	(2,344)	Completed
Irrigation Improvements	3141GC1103	25,000		25,000				25,000	24,996	4	Completed
Championship Course Greens, Tees and Bunkers	3141GC1202	80,000	52,000	10,000			(25,000)	37,000	32,158	4,842	Carry Over
Champ Course #17 Tee Rebuild	3141GC1704	15,000	15,000	-				15,000	16,002	(1,002)	Completed
Championship Course Greens and Surrounds	3141GC1802	15,000		15,000				15,000	9,468	5,532	Ongoing
Championship Course Tees	3141GC1803	13,000		13,000				13,000	15,032	(2,032)	Ongoing
Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201	25,000		25,000				25,000	24,893	107	Ongoing
Pavement Maintenance of Cart Paths - Champ Course	3141LI1202	55,000		55,000				55,000	55,136	(136)	Ongoing
Champ Grille Kitchen Equipment	3153FF1204	39,000	39,000	-	(39,000)			-	-	-	Cancelled
1999 Ty-Crop Spreader #429	3142LE1720	36,400		36,400				36,400	32,777	3,623	Completed
2007 Club Car Carryall Ball Picker #600	3142LE1740	25,000		25,000				25,000	23,451	1,549	Completed
2011 Toro Greensmaster 1000 #652	3142LE1753	14,500		14,500				14,500	14,953	(453)	Completed
2011 Toro Greensmaster 1000 #653	3142LE1754	14,500		14,500				14,500	14,953	(453)	Completed
2011 Toro Greensmaster 1000 #654	3142LE1755	14,500		14,500				14,500	14,952	(452)	Completed
2011 Toro Greensmaster 1000 #655	3142LE1756	14,500		14,500				14,500	14,952	(452)	Completed
2011 Toro Greensmaster 1000 #656	3142LE1757	14,500		14,500				14,500	14,952	(452)	Completed
2011 Toro Greensmaster 1000 #657	3142LE1758	14,500		14,500				14,500	14,952	(452)	Completed
Toro Greensmaster 1600	3142LE1861	10,000		10,000				10,000	9,859	141	Completed
1989 Lely Fertilizer Spreader #365	3197LE1720	7,000		7,000				7,000	6,445	555	Completed
2004 John Deere Pro Gator #546	3197LE1738	34,000		34,000				34,000	31,111	2,889	Completed
2000 John Deere 5310 Tractor #464	3197LE1743	47,000		47,000				47,000	42,665	4,335	Completed
Replace Blade Grinding Equipment	3197LE1748	25,000		25,000				25,000	24,375	625	Completed
2011 Toro Tri-Plex 3250D Mower #664	3197LE1753	40,500		40,500				40,500	39,062	1,438	Completed
Total Championship Golf		616,400	106,000	492,400	(39,000)	-	(45,000)	514,400	497,377	17,023	

Incline Village General Improvement District

Capital Improvement Projects Report to the Board of Trustees

For the Year Ending June 30, 2019

DESCRIPTION	PROJECT #	Original Budget	Prior Year	Current Year	Projects			Carry over to next year	Adjusted Budgeted	Fiscal Year Expenditures	Variance	Status	
			Carry Forward	Budgeted	Cancelled	Adjustments	Reallocations		Expenditures				
Mountain Golf Course:													
Mountain Course Greens, Tees and Bunkers	3241GC1101			23,000					23,000	\$ 20,562	2,438	Ongoing	
Mountain Golf Course Cart Path Retaining Walls	3241U1704	28,500	7,168	12,500					19,668	7,000	12,668	Ongoing	
ADA Access to On-course Restrooms	3241BD1402	135,000	95,000						140,000	128,776	11,224	In Progress	
Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	64,500	71,395		(71,395)							Cancelled	
Pavement Maintenance of Parking Lot - Mountain Golf Course	3242U1204	6,000		6,000					6,000		6,000	Ongoing	
Pavement Maintenance of Cart Paths - Mountain Golf Course	3242U1205	45,000		45,000		(45,000)						Ongoing	
Paint Exterior of Mountain Golf Clubhouse	3299BD1705	27,800		27,800				(27,800)				Carry Over	
Replace Carpet in Mountain Golf Clubhouse	3299BD1801	24,000		24,000					24,000		24,000	Delayed	
Mountain Golf Roll Up Shop Doors	3299BD1803	12,000		12,000					12,000	14,200	(2,200)	Completed	
Repair Roof, became replacement- Mountain Golf Club House	3299BD1702	12,620	82,400					(76,400)	6,000	7,880	(1,880)	Carry Over	
Mountain Clubhouse Fire Repairs - Unbudgeted	3299BD1902	-								150,751	(150,751)	Multi-Yr	
Mountain Golf Cart Barn Concrete Floor - Unbudgeted	3299BD1903	-								8,980	(8,980)	Completed	
Total Mountain Golf		335,420	255,963	150,300	(71,395)	-	-	(104,200)	230,668	338,149	(107,481)		
Chateau and Aspen Grove:													
Replace Air Walls Chateau	3350BD1704	7,500		7,500	(7,500)							Cancelled	
Replace Carpet in Chateau Grill	3350BD1803	12,000		12,000					12,000	7,271	4,729	Completed	
Paint Both Food & Beverage Kitchens and Storage Areas	3350BD1806	12,000		12,000					12,000	5,966	6,034	Completed	
Enclose Chateau Exterior Storage Area	3350FF1601	6,500	6,500					(6,500)				Carry Over	
Aspen Grove - Replace Carpet	3351BD1501	11,500		11,500					11,500	8,169	3,331	Completed	
Total Chateau and Aspen Grove		49,500	6,500	43,000	(7,500)	-	-	(6,500)	35,500	21,406	14,094		
Diamond Peak Ski Resort:													
Replacement of Main and Snowflake Lodge Kitchen Equipment	3453FF1707	33,000		33,000					33,000	\$ 35,242	(2,242)	Completed	
Vehicle Shop/Snowmaking Pumphouse Roof	3464BD1302		20,000						20,000	7,320	12,680	Completed	
Fuel Management Program	3464CO1701		41,885						41,885	43,310	(1,425)	Completed	
Ski Resort Snowmobile Fleet Replacement	3464LE1601	15,000		15,000					15,000	14,083	917	Completed	
Diamond Peak Base Facilities Maintenance and Improvements	3464LI1501	70,000		70,000					70,000	73,010	(3,010)	Completed	
2008 Yamaha Rhino (ATV) #639	3464LV1733	22,000		22,000					22,000	15,099	6,901	Completed	
Fan Guns Purchase and Refurbishment	3464SI1002	27,750	27,750						27,750	19,800	7,950	Ongoing	
Snowmaking Infrastructure Evaluation and Enhancement	3464SI1104	31,500	31,500						31,500	15,000	16,500	Ongoing	
Upgrade Popular Snowmaking Power Alignment	3464SI1708	37,500	37,080					(24,000)	13,080	12,864	216	Carry Over	
Replace Ski Rental Equipment	3468RE0002	135,000		135,000				(135,000)				Carry Over	
Pavement Maintenance, Diamond Peak and Ski Way	3469LI1105	85,000		85,000					85,000	84,368	632	Ongoing	
Ski Way and Diamond Peak Parking Lot Reconstruction	3469LI1805	50,000		50,000					50,000	43,600	6,400	Ongoing	
Diamond Peak Way Finding Signage Evaluation and Enhancement	3469RS1709	40,000	40,000					(16,550)	23,450	23,450		Carry Over	
Ski Fleet Fire Panel Replacement	3499BD1801	25,000		25,000					25,000		25,000	Delayed	
Snowflake Lodge Facilities Maintenance and Improvements	3499BD1803	27,000		27,000					27,000	21,401	5,599	Completed	
Storage Building Replacement Design Evaluation (Net of Grants)	3499BD1804	40,000		40,000				(40,000)				Delayed	
Skiier Services Building Customer Service Counter	3499FF1607	19,700	19,700						19,700	12,535	7,165	Completed	
Final costs on prior year lift improvements										4,923	(4,923)	Completed	
Incline Creek Culvert Rehabilitation at Diamond Peak	3499LI1101	1,120,000	604,600	3,785,000						4,389,600	4,113,022	276,578	Completed
Ski Area Master Plan Implementation - Phase 1a and 1b	3653BD1501	600,000	682,600					(682,600)				Carry Over	
Total Diamond Peak		2,378,450	1,505,115	4,287,000	-	-	-	(898,150)	4,893,965	4,539,027	354,938		
Recreation Center:													
Replace Walkway Bollard Lights	4884BD1703	57,500	56,500					(54,950)	1,550	\$ 1,550		Carry Over	
Replace Condensing Unit 2 and 4	4884BD1901	39,430	39,430	50,000					89,430	71,680	17,750	Completed	
Resurface Recreation Center Patio Deck	4884FF1501	24,620	36,600									Postponed	
Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502	53,710	48,500	40,000		(36,600)						Completed	
Pavement Maintenance, Recreation Center Area	4884LI1102	12,500		12,500		36,600			125,100	123,673	1,427	Ongoing	
Fitness Equipment	4886LE0001	43,500		43,500					43,500	30,345	13,155	Ongoing	
Paint Interior of Recreation Center	4899BD1305	20,500		20,500					20,500	20,270	230	Completed	
Total Recreation Center		251,760	181,030	166,500	-	-	-	(54,950)	292,580	259,918	32,662		
Community Services Administration:													
Fall protection for District Venues	4999BD1803	27,500		27,500					27,500	\$ 10,480	17,020	Completed	
Community Services Software System (prior year installation)	4999CO1801									(6,300)	6,300	Completed	
Parks and Recreation Master Plan Update	4999RS1603	250,000	138,000						138,000	137,223	777	Completed	
Total Community Services Administration		277,500	138,000	27,500	-	-	-	-	165,500	141,403	24,097		

Incline Village General Improvement District

Capital Improvement Projects Report to the Board of Trustees

For the Year Ending June 30, 2019

DESCRIPTION	PROJECT #	Original Budget	Prior Year	Current Year			Carry over to next year	Adjusted Budgeted	Fiscal Year Expenditures	Variance	Status
			Carry Forward	Budgeted	Projects Cancelled	Adjustments		Reallocations			
Parks:											
Dumpster Enclosure - Incline Park	4378BD1701	7,500	7,500					7,500	\$ -	7,500	Completed
Incline Park Fencing Refurbishment	4378BD1707	18,000	18,000				(18,000)	-	-	-	Carry Over
Skate Park Enhancement Study	4378BD1711	5,000	5,000					5,000	-	5,000	Postponed
Incline Park Backflow Device Replacement	4378D11702	20,000	18,802				(18,800)	2	737	(735)	Carry Over
1996 Lely Fertilizer Spreader #498	4378LE1723	12,000		12,000				12,000	6,791	5,209	Completed
2007 John Deere Pro Gator #604	4378LE1729	34,000		34,000				34,000	31,111	2,889	Completed
2007 Toro 35000 Rotary Mower #605	4378LE1743	33,700		33,700				33,700	32,761	939	Completed
Pavement Maintenance, East & West End Parks	4378L11207	15,000		15,000				15,000	1,100	13,900	Ongoing
Pavement Maintenance, Village Green Parking	4378L11303	5,000		5,000				5,000	1,910	3,090	Ongoing
Pavement Maintenance, Preston Field	4378L11403	5,000		5,000				5,000	1,910	3,090	Ongoing
Restoration Project - Upstream of SR-28 (funded by grants)	4378L11504	300,000		186,000			(178,800)	7,200	-	7,200	Carry Over
Restoration Project - Upstream of SR28	4378L11504B	-	37,000	-			(36,000)	1,000	6,105	(5,105)	Carry Over
Pavement Maintenance, Overflow Parking Lot	4378L11602	5,000		5,000				5,000	1,910	3,090	Ongoing
Pump Track Demonstration (funded by grants)	4378L11604	300,000		300,000			(300,000)	-	-	-	Postponed
Pump Track Demonstration	4378L11604	70,000	17,852	-			(17,852)	-	-	-	Postponed
Pavement Maintenance - Incline Park	4378L11802	1,500		1,500				1,500	1,500	-	Ongoing
Incline Park Improvements - Unbudgeted	4378BD1801	-		-				-	22,875	(22,875)	Delayed
Incline Park Facility Renovations (funded by grants)	4378L11803	1,208,071		1,208,071				1,208,071	33,330	1,174,741	Delayed
Bocce Courts at Recreation Center Property Design	4378L11804	15,000		15,000			(15,000)	-	-	-	Carry Over
Total Parks		2,054,771	104,154	1,820,271	-	-	(584,452)	1,339,973	142,040	1,197,933	
Tennis:											
Tennis Center Renovation	4588BD1604		50,000	-			(8,450)	41,550	\$ 52,315	(10,765)	Multi-Yr
Pavement Maintenance, Tennis Facility	4588L11201	5,000		5,000				5,000	3,100	1,900	Ongoing
Resurface Tennis Courts 3 thru 7	4588RS1402	75,000		75,000				75,000	34,965	40,035	In Progress
Tennis Center Pickle Ball Court Conversion	4588RS1801	18,000		18,000				18,000	13,800	4,200	Completed
Total Tennis		98,000	50,000	98,000	-	-	(8,450)	139,550	104,180	35,370	
Total Community Services Fund		\$ 6,061,801	\$ 2,346,762	\$ 7,084,971	\$ (117,895)	\$ -	\$ (1,701,702)	\$ 7,612,136	\$ 6,043,500	\$ 1,568,636	
Utility Fund:											
Adjust Utility Facilities in NDOT/Washoe County Right of Way	2097D11401	60,000		60,000				60,000	\$ 60,027	(27)	Ongoing
Public Works Office Space Reconfiguration	2097FF1602	42,500	61,500					61,500	62,380	(880)	Completed
2010 International Vector Truck #638	2097HV1732	430,000		430,000				430,000	-	430,000	Delayed
Pavement Maintenance, Utility Facilities	2097L11401	12,500		12,500				12,500	6,801	5,699	Ongoing
2009 Chevrolet Mid Size Pick-up #630 Compliance Dept.	2097LV1733	30,000		30,000				30,000	29,452	548	Completed
WRRF Crew Quarters	2097SS1708	75,000	65,820	153,174				218,994	216,342	2,652	Completed
Water Pumping Station Improvements	2299D11102	115,000		115,000				115,000	96,631	18,369	Completed
Replace Commercial Water Meters, Vaults and Lids	2299D11103	40,000		40,000				40,000	47,386	(7,386)	Ongoing
Water Reservoir Coatings and Site Improvements	2299D11204	40,000		40,000				40,000	34,776	5,224	Ongoing
Burnt Cedar Water Disinfection Plant Improvements	2299D11401	450,000	145,497	100,000				245,497	252,746	(7,249)	Multi-Yr
Water Reservoir Safety and Security Improvements	2299D11701	375,000	218,600	200,000			(386,600)	32,000	46,151	(14,151)	Carry Over
Water Pump Station 2-1 Improvements	2299D11702	800,000	100,000	700,000			(791,800)	8,200	45,700	(37,500)	Carry Over
Leak Study R2-1 14 inch Steel	2299WS1801	65,000		65,000				65,000	78,156	(13,156)	Completed
Watermain Replacement - Alder Avenue	2299WS1802	50,000		50,000				50,000	37,588	12,412	Multi-Yr
Effluent Export Line - Phase II - 2018-2019 budget	2524SS1010	2,000,000		2,000,000			(2,000,000)	-	-	-	Multi-Yr
Effluent Line - Phase II - use from carryover (\$294,631 + \$1,057,000)	2524SS1010	-	1,351,631	-			(251,918)	1,099,713	1,032,785	66,928	Multi-Yr
Treatment Plant Fire Panel Replacement	2599BD1802	65,000		65,000				65,000	65,800	-	In Progress
Sewer Pumping Station Improvements	2599D11104	55,000		55,000				55,000	59,662	(4,662)	Completed
Sewer Pump Station #1 Improvements	2599D11703	155,000	155,000	100,000			(220,000)	35,000	56,098	(21,098)	Carry Over
Sewer Pump Station #11 Replacement	2599D11705	125,000	125,000	-				125,000	98,030	26,970	Completed
Water Resource Recovery Facility Improvements	2599SS1102	710,000	25,000	120,000				145,000	128,891	16,109	Completed
Wetlands Effluent Disposal Facility Improvements	2599SS1103	100,000		100,000				100,000	99,840	160	Completed
Replace & Reline Sewer Mains, Manholes and Appertenances	2599SS1203	80,000		80,000				80,000	66,559	13,441	Ongoing
WRRF Biosolids Bins	2599SS1702	60,000		60,000				60,000	61,300	(1,300)	Completed
WRRF Aeration System Improvements	2599SS1707	500,000	50,000	100,000			(100,000)	50,000	133,791	(83,791)	Multi-Yr
Total Utility Fund		6,435,000	2,298,048	4,675,674	-	-	(3,750,318)	3,223,404	2,816,092	407,312	
District Total		\$ 13,365,951	\$ 4,718,510	\$ 12,525,795	\$ (184,395)	\$ -	\$ (5,761,070)	\$ 11,298,840	\$ 9,265,147	\$ 2,033,693	

IVGID Capital Improvement Project Reporting

Definitions for Status Terms

- **Added** - An unbudgeted project that meets capital improvement criteria and established after the start of the fiscal year.
 - **Cancelled** - A project that was scheduled, but is no longer being considered for construction or acquisition.
 - **Carried Over** - A project re-scheduled to another fiscal year, and has had its remaining budget updated.
 - **Completed** - A project that has finished all phases and is set up as a capital asset.
 - **Delayed** - A project timeline extended for either for a change in scope of work or the conditions, without adjustment to its budget.
 - **In Progress** – A project which is not completed, and may incur additional costs.
 - **Multi-Year** - A project scheduled to be executed over multiple fiscal years to facilitate each phase (pre-design, design and construction or acquisition).
 - **Ongoing** - A project that represents a continuous flow of rehabilitation or renewal of an operating system with added revenues and costs over time.
 - **Opened Early**- A scheduled project that starts ahead of plan due to a change in conditions or assumptions.
 - **Postponed** - A project with some reason to not be active, but is still intended to be executed at some future time.
 - **Reallocation** - A project added or altered by the addition of spending authority from a specified completed or cancelled project from the same fiscal year.
-

MEMORANDUM

TO: Board of Trustees

THROUGH: Audit Committee

FROM: Gerald W. Eick CPA CGMA
Director of Finance

SUBJECT: Receive, discuss and direct Staff to file the June 30, 2019 Comprehensive Annual Financial Report including an Unmodified Report by the District's Auditor, as required by NRS 354.624.

DATE: December 24, 2019

I. RECOMMENDATION

Staff recommends, with concurrence by the District's Audit Committee from December 11, 2019, that the Board of Trustees note receipt of the June 30, 2019 unmodified audit report, and direct Staff to file the Comprehensive Annual Financial Report (CAFR) with the State of Nevada and make it generally available for public use.

II. BACKGROUND

As required by Nevada Revised Statute 354.624, an annual audit will be concluded and the audit report submitted not later than five months after the close of the fiscal year (June 30). The report was received November 18. The Audit Committee has monitored progress to date and met December 11 to receive the report under the State's guidance to do so no later than thirty days from that submission. The Board of Trustees also met December 11, and had an agenda item for the report, but choose to table it to allow the full Board to act at a later date. Staff requested an extension from the Department of Taxation to accommodate a January 15, 2020 meeting.

The District has engaged the audit firm of Eide Bailly LLP to conduct a financial audit in accordance with generally accepted auditing standards in the United States. This is required under NRS 354.624. The District's auditor have completed their audit of the District's 2018-2019 financial report and have issued an unmodified report. An unmodified report (clean opinion) is the best audit report that

can be issued and states that the financial statements are fairly presented in conformity with generally accepted accounting principles.

Eide Bailly LLP's scope of work for 2018-19 included various responsibilities in connection with the audit requirement. The Audit Committee met with Eide Bailly, LLP on December 11 to receive their report on those responsibilities. The CAFR includes a Report on Compliance and Internal Control in relation to the audit of the basic financial statements. Our auditors also reported no material weaknesses in our internal controls over financial reporting.

III. COMMENT

Staff recognizes there is interest in having the District's accounting reviewed at a level beyond what is covered by the Comprehensive Annual Financial Report. The provisions of NRS 354.624 do not preclude other scopes of work, but does require the District to perform the prescribed financial audit. By receiving and filing the report, the District is complying with the law. If a report is not filed, the State can order a financial audit be completed and bill the District for the work. The suggested action allows the District to comply with the legal requirements. At the December 11 meeting, Staff and the Board began a discussion about other types of work that could be conducted for internal controls. Such a review can be performed as directed by the Board, but it would not meet the requirements of NRS 354.624.

Once the Board has directed the report be filed, it will be assembled in a final bound or electronic form and then will be distributed to a number of Local, State and Federal agencies, as well as bond consultants, banks, the Municipal Securities Rulemaking Board and the general public. The audit report will also be posted on the District's Financial Transparency website. This will be accomplished as soon as possible to meet the extension granted by the State of Nevada.



STATE OF NEVADA
DEPARTMENT OF TAXATION

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December 27, 2019

Incline Village General Improvement District
Gerald W. Eick, Dir. Of Finance
893 Southwood Boulevard
Incline Village, NV 89451

Re: Request for Extension on Annual Audit Report
IVGID

Dear Mr. Eick,

The Department of Taxation is in receipt of your request for an extension of the filing requirements for the above referenced annual audit reports. It is the Department's policy to grant extensions only where unforeseen and uncontrollable conditions exist, and where due care and adequate planning by both the entity and the auditor make the five-month statutory audit preparation period insufficient.

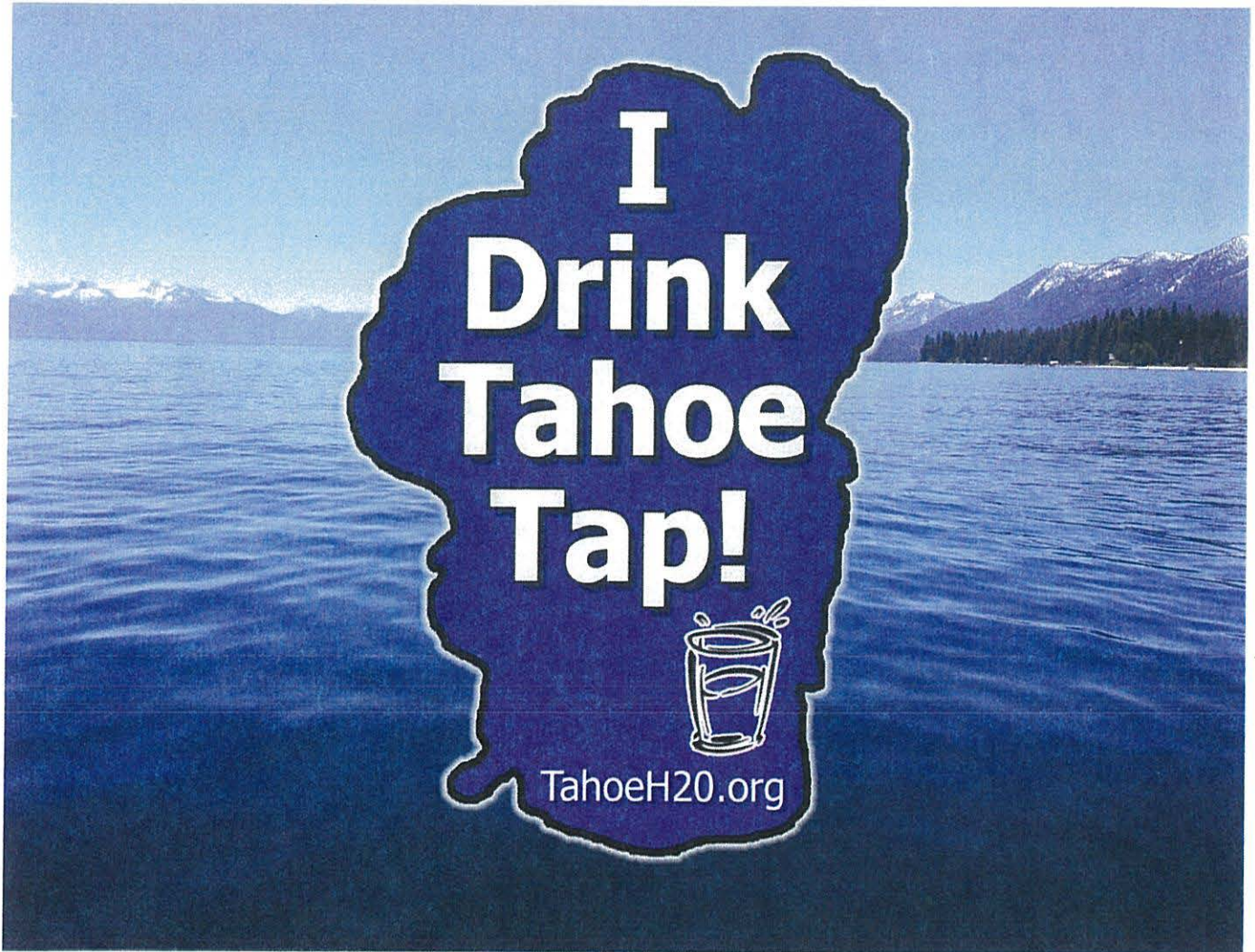
Pursuant to your letter dated December 12, 2019 and the Department's policy on granting extensions, IVGID is hereby granted an extension until January 15, 2020 for the adoption by its governing body the audit report for the fiscal year ending June 30, 2019. This date is after the expected appointment of a replacement to fill the unexpired term of a member on the Board of Trustees.

The extension is contingent on the submission of two copies of the audit report to the Department of Taxation no later than January 31, 2020.

If you should have any questions, do not hesitate to call me at (775) 684-2073. My e-mail address is klangley@tax.state.nv.us.

Sincerely,

Kelly S. Langley, CTP
Local Government Finance, Supervisor
Department of Taxation



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

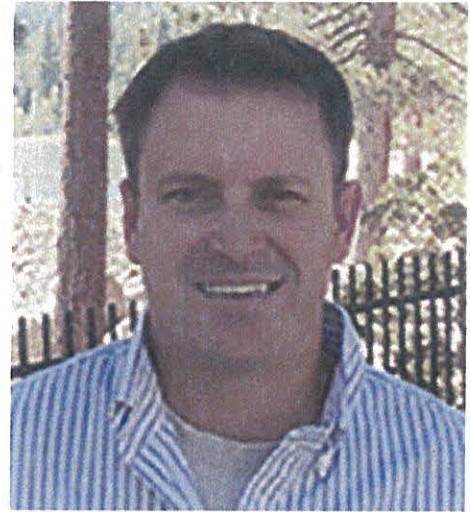
WELCOME!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Our financial reports support our sustainable government model, which IVGID offers the communities of Incline Village and Crystal Bay.

IVGID's enviable financial condition continues with our increases in net position, readily available cash, low debt ratio and no unfunded pension and medical liabilities.

Current Conditions:

- Our unrestricted net position of \$31.8 million is 5 times greater than our total outstanding indebtedness of \$6.1 million.
- Since 2008, our outstanding indebtedness has dropped from a high of \$27.2 million to \$6.1 million.
- Our outstanding indebtedness is only .7% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 2.6%.



I'd like to personally thank our dedicated management staff for all the work that they do throughout the year and in conjunction with this important document. I'd also like to thank all of our stakeholders: property owners, business owners, residents, guests and our employees for their continuing support of all of our operations. Together, we all play a part in making Incline Village/Crystal Bay one of the most livable communities in the nation.

Indra S. Winquest
Interim General Manager

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INTRODUCTION



November 18, 2019

**Citizens of Incline Village and Crystal Bay
Board of Trustees for the Incline Village General Improvement District**

The Incline Village General Improvement District (the District) hereby submits our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2019. The Finance Department publishes the Report to provide financial and general information about the District to members of the Incline Village/Crystal Bay community, customers, the investment community, and general public. The data presented is designed to help readers assess the financial condition of the District and to understand the services that the District provides to the Incline Village/Crystal Bay community. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control. Since the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements.

State law requires that each local government publish, within five months of the close of each fiscal year, an annual audit of all of its financial statements. The audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted. Also, the report must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with United States Generally Accepted Auditing Standards by a firm of licensed certified public accountants. We hereby issue the Comprehensive Annual Financial Report of the Incline Village General Improvement District.

The District's financial statements are audited by Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The unmodified Independent Auditors' Report appears in the Financial Section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with that overview. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a body corporate and public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including a skiing hill, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related programming. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 170,000 beach users, and oversees a variety of other activities including over 120,000 visits to the Recreation Center annually.

IVGID's Vision Statement

With passion for quality of life and our environment, Incline Village General Improvement District will enhance the reputation of our community as an exceptional place to live, work, invest, and play.

IVGID's Mission Statement

Incline Village General Improvement District delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability.

IVGID's Value Statement

We are dedicated people providing quality service, for our community and environment, with integrity and teamwork.

IVGID's Mantra Statement

One District • One Team

IVGID's Long Range Principles

The District adopted a Strategic Plan for July 1, 2015 through June 30, 2018. Part of the plan includes six Long Range Principles. Under the direction of the Board of Trustees and the leadership of the District General Manager, the Principles align our activities to the strategy of the District. Each Principle addresses objectives over the two years of the Plan, as well as annual budget initiatives.

RESOURCES AND ENVIRONMENT – Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Review and upgrade District policies and practices to encourage or require waste reduction, recycling and environmentally preferable purchasing.
- Develop sustainability measures, goals and metrics to create and/or maintain a sustainable District.
- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction.

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

- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long term plan to sustain financial resources.

WORKFORCE – Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues.

- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and level of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low worker's compensation incidents.
- Identify individuals for retention and growth for management succession within the District.

SERVICE – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.

- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintaining customer service training for new, returning and existing employees.

ASSETS AND INFRASTRUCTURE – The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation activities.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

COMMUNICATION – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

District Management

A five-person elected Board of Trustees, with 4-year terms, governs the District. Every other year, two or three of the trustee terms expire and are up for election. Upon being elected, the trustees assume office on January 1 or the first board meeting of the year. The District has benefited from longevity and management experience. The Senior Management Team is led by the District’s General Manager. The District has made a commitment to developing strategies that lead to results. It has also continued a commitment for sustainability in financing for capital assets. The District has made many capital investments out of current resources, along with paying off bonds utilized to finance improvements. The Facility Fee, which is charged by parcel, is a significant source for both capital expenditure and debt service for the Community Services and the Beach activities. This fee has been at the same total for nine years, but has transitioned more for capital improvement and less for debt service. The Utility Fund has been steadily increasing its rates for several years in anticipation of a major replacement of the effluent export pipeline. .

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes, which includes prescribed procedures to establish the budgetary data reflected in these financial statements. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the budget and Facility Fees were held on May 23, 2018. On or before June 1, 2018, the Board adopted final budget for the year ended June 30, 2019 was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with GAAP for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds type budgets are adopted on an accrual basis. The District can amend or augment the budget after following State statutes and public hearing procedures. The District did augment its budget for the Community Services Special Revenue to reflect higher than expected activity for the ski resort and filed the documents with the State of Nevada.

District Financial Initiatives and Accomplishments

The Board of Trustees establishes policy and direction, within the framework of the District Strategic Plan and its Long Range Principles. The Plan covering the years 2018 to 2020 was adopted May 9, 2018. That period emphasis includes developing performance measures, stabilizing planning for capital improvements, and enhancing communication at many levels.

Performance measurement through Fund Accounting Governmental Fund Accounting demonstrates sources and uses through budgeting and reporting. The District's parcel owners pay a facility fee that is dedicated to operational, capital improvement and debt service by functions or activities. By using the Special Revenue, Capital Projects and Debt Service Fund Types; the District can demonstrate and communicate the relationship of the facility fee paid to how it was used for these very different types of transactions. Many of the District's service venues require substantial capital investment and improvements. Operating statements alone do not represent the true scope of activity to make services available. This accounting not only provides a record of accomplishment, but allows for focused planning to meet the strategic objectives of sustainability and capital maintenance

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This project is expected to cost at least \$21,000,000. This replacement will be paid for by rate increases over a period of years, or a combination of cash and debt.. Sewer Rates have been increased to accumulate more resources for this project. Water rates are set to a strictly pay for what you use as a cost of service. The latest rate increase went into effect in May 2019. Results of the Utility operations exceed budget. The resources intended for the long term portion of the effluent project, have been invested.

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2018-19 marks the ninth year in which the combined fee totaled \$830. The facility fee revenue was realized as planned

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2018-19 marks the ninth year in which the combined fee totaled \$830. The facility fee revenue was realized as planned.

Minimizing the year to year changes in the Facility Fee to support capital expenditures Fiscal year 2018-19 also marks the ninth year for what has become known as "smoothing". This is an initiative integrated with the 5-year capital plan, to schedule projects in a way to provide reasonably consistent amounts for capital expenditure thus avoiding increases in the total Facility Fee from year to year. The Recreation and Beach Facility Fee is intended to generate resources for operations, debt service and capital expenditures. The debt service and capital expenditure components are budgeted based on specific issues and projects. Following the maturity of bond issues, resources for debt service were directed toward capital improvement. Results of operations for 2018-19 in the Community Services Special Revenue Fund were over budget. The Community Services Special Revenue fund balance continues to be evaluated and is expected to be used for several major capital projects that have been identified for completion in the next five years.

Capital Project and Debt Service Funds Net Position Closes

From July 1, 2015 through June 30, 2019 the District used Capital Projects and Debt Service Funds as a way to demonstrate the use of dedicated revenues for those expenditures. During this period it was clear the focus of users was not at a fund level, but rather primarily on the functional level expenditures. Such reporting can be accomplished through Special Revenue Funds. The District's special revenue funds are the source of the dedicated revenues then transferred to expend. Beginning July 1, 2019 these funds will only be activated in the event of a bond issue or other direct funding source needing a separate accounting. This will simplify reports for our users.

Factors Affecting Financial Condition

Located on the northeast shore of Lake Tahoe, Nevada, near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report at June 2019 indicates the combined room occupancy rate increased 6.3% from last year.

Development within the District is challenged by the availability of parcels for redevelopment. There are commercial projects planned in Crystal Bay. The preliminary development permits for the projects have been approved. The scope of the development will be determined by future events. It is anticipated they will have a positive effect on the area.

The 2010 census population of 9,087 reflects an 8% decrease since 2000. Of the District's 7,954 housing units, the Census reports 3,353 for seasonal recreation use. This is 14% more than the number in 2000. There is no indication of a change in these factors as of 2019. The median housing value at June 30, 2019 for single family residence and condo sales for Incline Village and Crystal Bay are \$1,400,000 and \$619,000, respectfully, representing a 17% increase on residence and a 11% increase on condos over last year. For the entire Washoe County the values were \$408,500 and \$241,000 respectively. Values in Incline Village and Crystal Bay tend to be more than the general County because of a strong demand by California buyers looking for a preferred tax address in the Tahoe Basin.

The Reno-Sparks June 2019 unemployment rate of 3.2% and is well under the State at 4.0%, and is below the national level at 3.7%.

Lake Tahoe is known as one of the most beautiful regions in the world and as the largest alpine lake in North America, it offers an alpine environment untouchable anywhere else. The pristine beauty of Lake Tahoe draws over three and one-half million visitors annually from around the world. From snow skiing to golfing to boating to gaming, Lake Tahoe is one of the premier resort destinations, offering visitors countless activities. Additionally, Incline Village/Crystal Bay offers a spectacular and serene mountain neighborhood for property owners.

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2018-2019 the abatement was \$428,437, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$2,040,175.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the Nevada Supreme Court, which referred the matter to the Washoe County District Court to decide if another round of refunds should be ordered. A District Court order was issued in October 2019 that is being appealed to the Nevada Supreme Court. A final decision has not been reached, nor is the outcome and possible affect determinable as of June 30, 2019.

Budget Highlights

General Fund

The General Fund is primarily responsible for governance and administration of the District's activities. The Fund has nominal change year to year. The General Fund is discussed in more detail in the MD&A section.

Community Services Special Revenue Budgetary Highlights

Community Services cover a variety of recreation venues. The ski resort benefitted from excess snow by having an extended season and higher than budgeted visits. This resulted in over \$2,800,000 in additional revenue while only incurring just over \$430,000 in additional costs. Our golf courses saw a stable level of play. The Parks and Recreation venues saw stable use. A substantial schedule of capital projects were done during the year. However, there were still over \$1,700,000 in capital projects carried over as unexpended and is reflected in Fund Balance.

Beach Budgetary Highlights

The District's beach venues saw both increased revenues to help offset rising operational costs. The Beach is independent of other operations and has sought to increase its resources for future capital projects. The Beach Study identified a number of possibilities. There is an upcoming replacement project for the Burnt Cedar pool.

Utility Budgetary Highlights

The net position for the Utility Fund increased \$2,650,244 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year increase in expenses mainly for personnel.

Internal Services Budgetary Highlights

Internal Services includes Fleet, Engineering, Building Maintenance and Workers Compensation coverage. Both Engineering and Buildings Maintenance were under budget due to staff vacancies. The overall revenues and expenses balanced out. Following completion of a Loss Transfer and Assumption agreement, which allowed the District to liquidate its Work Comp claims liability from past years, a transfer of \$174,356 was made to the General Fund to close that activity under Internal Services. A transfer for \$800,000 was made in the prior year. Another \$300,000 was budgeted and made during this fiscal year. Readers may refer to Notes 13 and 22 for more details on the changes to the Workers Compensation program.

Budget Augmentation, application of budget contingency and other budget reconciliations

The District approves a budget for each fiscal year by completing Form 4404LGF as prescribed by the State of Nevada Department of Taxation Local Government Finance. Preparation of this form set includes prescribed account titles and allowable levels of detail. This form set in essence creates a Budgetary Basis accounting and presentation. To provide adequate financial planning, the District's approach to the budget includes an evaluation in more detail of the flow of resources for both governmental and business-type activities. This results in the District budgeting for capital expenditure and debt service in the enterprise funds, similar to governmental type funds. The District has presented additional schedules to reconcile basic financial statement presentations with information included in Form 4404LGF for the fiscal year ending June 30, 2019.

As a result of excess snow fall and resulting increased skier visits, a budget augmentation was adopted May 22 which increased Community Service Special Revenue Fund revenues by \$2,800,000 and expenditures by \$430,000. This augmentation was largely focused on setting expenditures at a proper level to be in compliance with Nevada Revised Statutes.

The District budgeted contingency in the General and Special Revenue Funds. None of the contingency was used for 2018-19.

The District has been engaged in a lawsuit for over six years that received a final order, which was then appealed. Legal costs of the appeal were not budgeted.

The District has reported fair market value adjustments to its fixed income investments. In the past these have been reductions. In the current year they resulted in increase to value along with realizing improved rates of return. The reported amount exceeds budget because neither cause was anticipated in early 2018 when the budget was formulated.

Awards

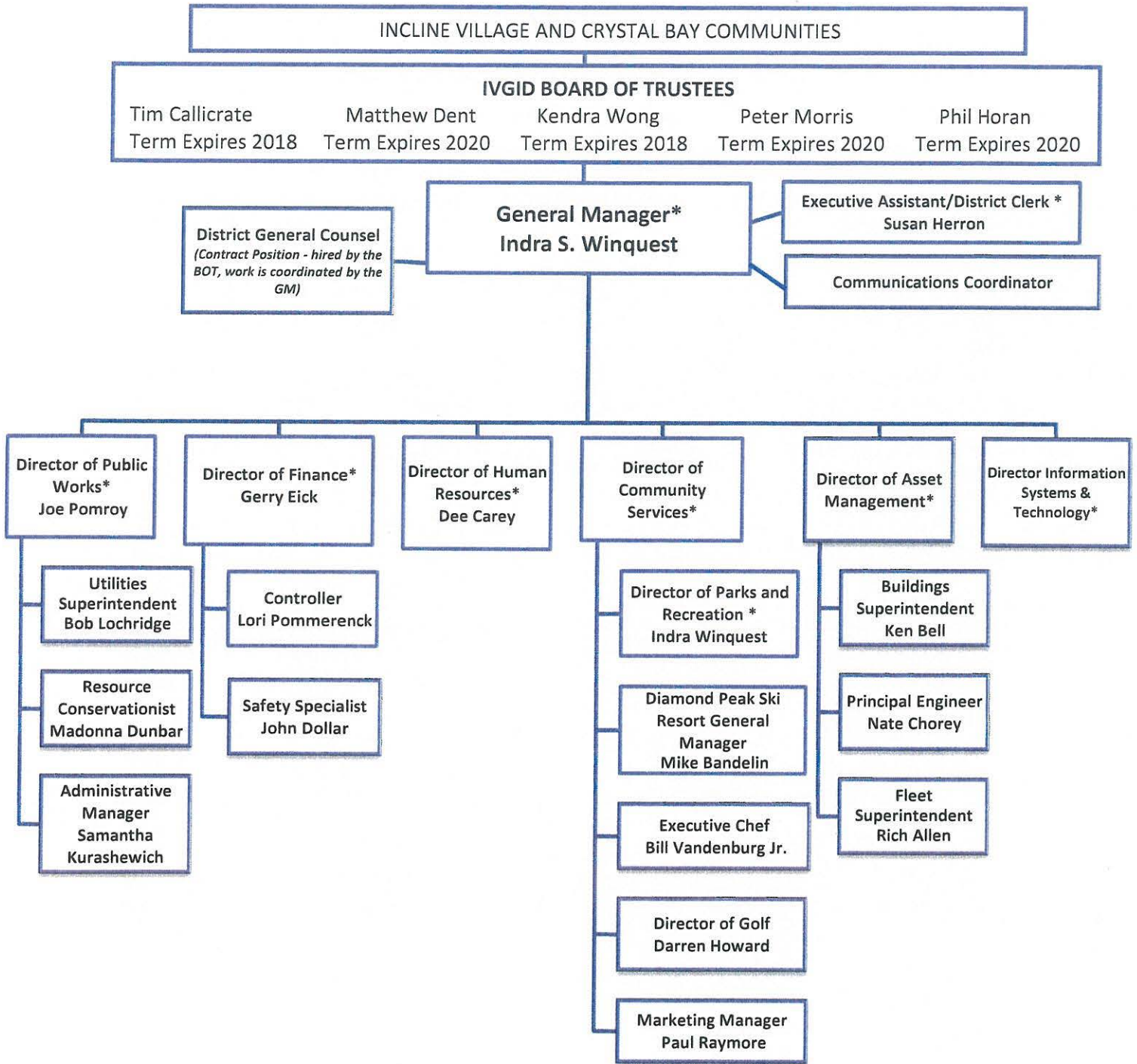
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the eighteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the accounting department and the District's venues. We wish to express our appreciation to all staff assisting with the preparation of this report. Credit also must be given to the Board of Trustees for their commitment to serving the communities of Incline Village and Crystal Bay.

Indra S. Winquest
Interim General Manager
Incline Village General Improvement District

Gerald W. Eick, CPA CGMA
Director of Finance
Incline Village General Improvement District



* Members of the Senior Team

ACHIEVEMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General
Improvement District, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

This prestigious and national award, presented by the Government Finance Officers Association (GFOA) of the United States and Canada, recognized conformance with the highest standards for preparation of state and local government financial reports.

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018

**NATIONAL
AWARD**

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIALS



Independent Auditor's Report

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Services Special Revenue Fund, and Beach Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of an Error

As discussed in Note 22 to the financial statements, certain errors occurred in the transfer of funds between operating funds for the year ended June 30, 2018 and were discovered by management during the current year. Accordingly, these transfers were corrected in the current year and have resulted in a restatement of fund balance as of July 1, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 20 and the schedule of employer required contributions on page 57, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund schedules including budgetary comparisons, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund schedules including budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules including budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Reno, Nevada
November 18, 2019

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019**

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

Financial Highlights

Weather continues to play a key role in financial performance of the District. The Community Services ski venue had an extended season due to good snow conditions resulting in additional revenue and costs to require a budget augmentation. A normal golf season allowed both courses to work on programming and the continued use of dynamic pricing for their revenue realization. The Mountain golf course experienced an increase in golf rounds, despite an August 2018 kitchen fire. The beach season had above average attendance. The Utility services had an average year for their flows. Overall the District still maintains a healthy financial condition for liquidity, operations and capital management. The District continues to meet its financial obligations and provide services to the community at large. Maintaining the care and condition of infrastructure is a high priority for all venues. The Utility Fund continues to build resources for a future Effluent Pipeline Project, while executing the preliminary study and design.

June 30, 2019 Fiscal Year Highlights Based on Government-wide Financial Statements:

- The assets of the District exceeded its liabilities and deferred inflows of resources, at the close of the most recent fiscal year, by \$153 million (net position). Of this amount, \$31.8 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$7.1 million. A significant portion will serve to provide resources for future capital projects.
- The General Fund's ending fund balance is at \$3.8 million.
- The governmental activities included depreciation of \$3.5 million while making investments in capital assets of \$6.5 million.
- The District retired \$859,678 in bond principal during the year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which consists of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other Supplementary Information in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the District finances in a manner similar to a private-sector business.

The ***Statement of Net Position*** presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases, in net position, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, the vacation wages liability recognizes a current cost while payment is in the future.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Both of the government-wide financial statements (*Net Position* and *Statement of Activities*) distinguish functions of the District that are principally supported by taxes, intergovernmental revenue and charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost(s) through user fees and charges (*business-type activities*). The governmental activity of the District includes the administration by the General Fund, recreation and internal service activities. The business-type activities of the District include utility activities that reflect enterprise operations where a fee for service typically covers all or most of the costs of operations including depreciation and debt service.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District uses fund accounting to ensure and demonstrate compliance with financial related legal requirements, hence, the principal role of a fund is to demonstrate fiscal accountability. All of the funds of the District can be divided into two categories: governmental and proprietary.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, the governmental fund financial statement focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains multiple governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund, Community Services Special Revenue, Capital Projects and Debt Services Funds, and the Beach Special Revenue, Capital Projects and Debt Service Funds.

The District adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets. For the other governmental funds similar comparisons are provided in the Supplemental Information section.

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its maintenance of its fleet of vehicles, buildings maintenance, and engineering functions. The District internal services fund also accounts for the Workers Compensation function. Each department pays for coverage based on its payroll costs. Workers Compensation serves the entire District and uses these charges, rather than costs being allocated by department. The Internal Service Fund is classified as governmental-type activities in the government-wide statement since the governmental funds are the most substantial users of these services.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District. The District has prepared a schedule for its Multi-Employer Retirement Plans. There are individual fund schedules, providing budget to actual comparisons. These schedules indicate compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. The State of Nevada Department of Taxation, Local Government Division, has a prescribed format for budget data. The supplementary information reports actual results according to that format and terminology. Statistical information is provided on a five or ten-year basis, as available, for trend and historical analysis. This information addresses a number of the major revenue sources of the District including the Recreation and Beach Facility Fee.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Governmental-wide Financial Analysis

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$153 million at June 30, 2019. The largest portion of net position (79%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

Incline Village General Improvement District Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other assets	\$ 18,211,423	\$ 13,170,824	\$ 8,207,132	\$ 8,435,236	\$ 26,418,555	\$ 21,606,060
Long Term assets	6,656,389	9,546,374	5,843,465	3,762,165	12,499,854	13,308,539
Net Capital Assets	57,639,775	54,721,037	69,158,284	69,496,001	126,798,059	124,217,038
Total Assets	82,507,587	77,438,235	83,208,881	81,693,402	165,716,468	159,131,637
Liabilities						
Current liabilities	5,477,847	4,631,434	1,815,665	2,306,442	7,293,512	6,937,876
Long-term liabilities	1,131,683	1,491,016	4,084,938	4,608,926	5,216,621	6,099,942
Total Liabilities	6,609,530	6,122,450	5,900,603	6,915,368	12,510,133	13,037,818
Deferred Inflows of Resources						
Deferred inflows	242,584	242,019	-	-	242,584	242,019
Net Position						
Net investment in capital assets	56,147,092	52,880,021	64,549,358	64,377,397	120,696,450	117,257,418
Restricted by Third Party Agreement	136,993	183,037	316,611	309,344	453,604	492,381
Unrestricted	19,371,388	18,010,708	12,442,309	10,091,293	31,813,697	28,102,001
Total Net Position	\$ 75,655,473	\$ 71,073,766	\$ 77,308,278	\$ 74,778,034	\$ 152,963,751	\$ 145,851,800

Incline Village General Improvement District Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for services	\$ 23,715,593	\$ 20,278,250	\$ 12,785,742	\$ 11,925,557	\$ 36,501,335	\$ 32,203,807
Operating grants	17,000	17,000	1,440	-	18,440	17,000
Capital grants and contributions	267	558,128	-	199,934	267	758,062
General Revenues:						
Ad valorem tax	1,622,486	1,546,575	-	-	1,622,486	1,546,575
Consolidated tax	1,690,222	1,637,250	-	-	1,690,222	1,637,250
Facility Fees	6,756,410	6,771,522	-	-	6,756,410	6,771,522
Unrestricted investment earnings	563,685	175,122	282,484	77,280	846,169	252,402
Other	204,245	190,578	15,066	50,020	219,311	240,598
Total Revenues	34,569,908	31,174,425	13,084,732	12,252,791	47,654,640	43,427,216
Expenses						
General Government	4,194,237	3,828,917	-	-	4,194,237	3,828,917
Internal Services	3,306,507	3,056,400	-	-	3,306,507	3,056,400
Utility	-	-	10,554,488	10,253,834	10,554,488	10,253,834
Community Services	20,345,198	19,043,639	-	-	20,345,198	19,043,639
Beach	2,142,259	1,849,659	-	-	2,142,259	1,849,659
Total Expenses	29,988,201	27,778,615	10,554,488	10,253,834	40,542,689	38,032,449
Excess Revenue (Expenses)	4,581,707	3,395,810	2,530,244	1,998,957	7,111,951	5,394,767
Transfers In (Out)	(120,000)	(120,000)	120,000	120,000	-	-
Changes in Net Position	4,461,707	3,275,810	2,650,244	2,118,957	7,111,951	5,394,767
Beginning Net Position, as reported	71,073,766	67,797,956	74,778,034	72,659,077	145,851,800	140,457,033
Prior Period Adjustment	120,000	-	(120,000)	-	-	-
Beginning Net Position, as adjusted	71,193,766	67,797,956	74,658,034	72,659,077	145,851,800	140,457,033
Ending Net Position	\$ 75,655,473	\$ 71,073,766	\$ 77,308,278	\$ 74,778,034	\$ 152,963,751	\$ 145,851,800

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Governmental-wide Financial Analysis (continued)

Governmental activities increased the Districts' net position by \$4,461,707. The majority of this increase is attributed to an excellent operating season for the District's ski resort.

Total governmental activity revenue overall increased year-on-year in the area of charges for services. The increase in Charges for Services is attributed to the ski resort and increases for banquets and events. The significant increase in investment income is an increase in rates and changes in market values from a loss to a gain. Sales and consolidated taxes, mostly comprised of business and vehicle tax, and increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw an increase. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year the abatement has a value of \$428,437 as a reduction of otherwise eligible ad valorem taxes.

The District ski resort budgets its operations on 110,000 skier visits. For 2018-19 the resort had 130,922 visits. The added usage resulted in revenue exceeding the original budget by over \$2,863,000. Though some expenses also increased by \$477,000, many costs are fixed and the resulting increased results flows to fund balance. By comparison, the Community Services Special Revenue Fund for 2018 was very close to budget.

Incline Village General Improvement District Governmental Activities Revenues

	2019		2018	
Property taxes	\$ 1,622,486	5%	\$ 1,546,575	5%
Combined taxes	1,690,222	5%	1,637,250	5%
Charges for Services -Community Service	17,748,644	51%	14,726,788	47%
Charges for Services - Beach	1,492,687	4%	1,266,613	4%
Charges for Services - Internal Services	4,474,262	13%	4,284,849	14%
Facility Fees - Community Services	5,781,289	17%	5,799,206	19%
Facility Fees- Beach	975,121	3%	972,316	3%
Operating Grants	17,000	0%	17,000	0%
Capital Grants	267	0%	558,128	1%
Unrestricted investment earnings	563,685	2%	175,122	1%
Miscellaneous revenues	204,245	0%	190,578	1%
Total governmental revenues	\$ 34,569,908	100%	\$ 31,174,425	100%

The facility fee, assessed on parcel owners, is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2018-19 the District assessed \$5,788,050 in recreation facility fees and \$969,500 in beach facility fees. The shift to the Beach Fund in fiscal year 2018 was to provide more resources for future capital expenditure.

IVGID Facility Fees

Fiscal Year	Per Eligible Parcel		Total Assessment Roll		District Assessed
	Beach	Community Services	Beach	Community Services	Recreation Facility
2018-19	\$ 125	\$ 705	\$969,500	\$5,788,050	\$6,757,550
2017-18	125	705	969,500	5,776,770	6,746,270
2016-17	100	730	774,400	5,972,860	6,747,260
2015-16	100	730	774,300	5,972,130	6,746,430
2014-15	100	730	774,300	5,971,400	6,745,700

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Governmental-wide Financial Analysis (continued)

Total governmental activities include the General Fund which provides District wide administration, Internal Services, and Recreation and Beach programming, capital projects and debt service. Expenditures in the General Fund increased year on year primarily related to Human Resources and increased legal expenses from litigation. Internal services increased reflecting higher service levels and the prior year having a reduced cost in Work Comp because of claim liability changes. Recreation and Beach programming reflect higher costs based on increase in service demand, while also increasing wages to hourly staff.

**Incline Village General Improvement District
Governmental Activities Functional Expenses**

	2019	2018
Manager	\$ 418,829	\$ 355,012
Trustees	175,882	176,450
Accounting	884,240	833,348
Information Services	828,368	820,658
Risk Management	137,019	127,032
Human Resources	682,394	597,875
Health & Wellness	28,816	24,594
Community & Employee Relations	194,398	188,682
Administration	583,203	462,552
Depreciation	261,088	242,714
Total General Government	\$ 4,194,237	\$ 3,828,917
Fleet	\$ 1,146,886	\$ 1,045,987
Engineering	631,999	751,111
Buildings Maintenance	1,022,743	909,796
Works Compensation	504,879	349,506
Total Internal Services	\$ 3,306,507	\$ 3,056,400
Championship Golf	\$ 4,985,709	\$ 4,724,811
Mountain Golf	1,155,483	1,165,185
Facilities	678,964	626,149
Ski	9,098,577	8,230,147
Recreation and Community Programming	2,634,298	2,564,677
Parks	1,082,530	1,063,374
Tennis	302,493	281,020
Recreation Administration	407,144	388,276
Total Community Services	\$ 20,345,198	\$ 19,043,639
Total Beach	\$ 2,142,259	\$ 1,849,659

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Business-type activities: Business-type activities increased their net position by \$2,650,244. The prior year was \$2,118,957. The Utility Fund has little fluctuation from year to year in its units of service. It continues to build added resources for a major capital project on the effluent pipeline. Capital expenditures were \$2,816,092, while depreciation expense was \$3,153,809. Principal reduction on bonds was \$509,678.

Financial Analysis at the Fund Level

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance of \$3,568,844 may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the District's General Fund balance increased to \$3,765,586, with \$196,742 non-spendable. A prior period adjustment has been made to the General Fund to reflect a 2018 transfer of \$800,000 from the Worker Comp activity within Internal Services, which was redistributed to the Community Services, Beach and Utility funds during 2018-2019. The General Fund also received \$300,000 during 2018-19 that will likewise be distributed during 2019-2020 and \$174,356 which will be retained. The Work Comp self-insured function Internal Services is no longer required having transferred all liability to a risk pool.

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services Special Revenue Fund Balance increased to \$13,333,953. The Beach Special Revenue Fund Balance increased to \$1,810,378.

Budgets are adopted for all governmental funds on a modified accrual basis. The focus of this basis is to capture transactions based on current financial resources. Increases and decreases in financial resources are recognized only to the extent that they reflect near-term inflows or outflows of cash.

General Fund Budgetary Highlights

General Fund functional expenditures performed better to budget by \$484,833. The increase in investment earnings is attributed to rate increases, and market value improvement. Much of that is a one-time occurrence, and past years have recognized the reductions. Savings occurred in Information Services because of staff vacancies. Several planned capital expenditure were not made including \$195,000 for two software systems. General Fund actual expenditures has increased slightly over the prior year. Administration includes legal defense costs of about \$130,000.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Capital Asset and Debt Administration

Capital Assets: The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2019 amounts to \$126,798,059 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 4 to the financial statements.

Incline Village General Improvement District Capital Assets, Net

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land - Governmental Activities	\$ 16,971,753	\$ 16,971,753	\$ -	\$ -	\$ 16,971,753	\$ 16,971,753
Construction in Progress - Governmental Activities	2,157,103	2,755,328	-	-	2,157,103	2,755,328
Land - Utility Activities	-	-	6,715,544	6,715,544	6,715,544	6,715,544
Construction in Progress - Utility Activities	-	-	1,418,052	4,151,041	1,418,052	4,151,041
Buildings and Improvements	913,462	846,899	-	-	913,462	846,899
Equipment and Vehicles	1,647,472	1,591,187	-	-	1,647,472	1,591,187
Internal services equipment furniture and fixtures	253,869	263,912	-	-	253,869	263,912
Utility service infrastructure	-	-	113,807,857	108,626,081	113,807,857	108,626,081
Utility buildings and improvements	-	-	15,503,863	15,166,010	15,503,863	15,166,010
Utility equipment, furniture and fixtures	-	-	3,696,213	3,721,984	3,696,213	3,721,984
Community services buildings and improvements	64,695,501	58,884,392	-	-	64,695,501	58,884,392
Community services equipment, furniture and fixtures	11,942,698	11,613,546	-	-	11,942,698	11,613,546
Beach buildings and improvements	4,957,906	4,861,698	-	-	4,957,906	4,861,698
Beach equipment, furniture and fixtures	569,383	510,786	-	-	569,383	510,786
Total Cost	104,109,147	98,299,501	141,141,529	138,380,660	245,250,676	236,680,161
Accumulated Depreciation	(46,469,372)	(43,578,464)	(71,983,245)	(68,884,659)	(118,452,617)	(112,463,123)
Capital Assets, Net	\$ 57,639,775	\$ 54,721,037	\$ 69,158,284	\$ 69,496,001	\$ 126,798,059	\$ 124,217,038

The major capital asset events during the fiscal year was completion of a Diamond Peak Culvert Project and capitalizing multi-year improvements for the effluent pipeline.

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$6,106,926. Of that amount, \$4,962,361 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$1,144,565 represents bonds secured solely by specified utility revenue sources.

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	New Issues	Principal Paid	Ending Balance
Governmental Type Activities:				
Bonds Payable;				
Recreation Revenue Supported	\$ 1,848,000	\$ -	\$ 350,000	\$ 1,498,000
Business Type Activities:				
Bonds Payable;				
Utility Revenue Supported	5,118,604	-	509,678	4,608,926
Total	\$ 6,966,604	\$ -	\$ 859,678	\$ 6,106,926

Readers desiring more information, with respect to the District's debt, should see Note 8 to the financial statements.

The District may borrow money and incur or assume indebtedness as provided in Nevada Revised Statutes, Chapter 318, Section 277, so long as the total of all such indebtedness (but excluding revenue bonds and special assessment bonds) does not exceed an amount equal to 50 percent of the total of the last assessed valuation of taxable property.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Economic Factors and Next Year's Budgets and Rates

- The District's primary revenue sources are from service charges from users. These are mostly in two forms as amounts charged at the point of service delivery and a standby charge paid by parcel owners to support the availability of services. The standby charge, also known as the Facility Fee, is determined annually by venue to support its operations, capital expenditure and debt service. The District has adopted a multi-year Strategic Planning process. Along with that, we continue to look at capital expenditure and debt service planning, five to twenty years ahead.
- Weather impacts demand for golf and ski and, to a much smaller extent, water and sewer charges based on the choice of residents and visitors to spending time in our community. We have recovered from the prior several years of drought affecting the beach and ski resort. With a more normal weather pattern, we look forward to less fluctuation year to year. A major initiative is to look at summer usage of the ski resort. A regulatory review of those possibilities has begun. However, this may take three to five years to be resolved. The general economy and discretionary spending are considered during the budget process. Anticipated user levels are revisited each year to assess probable service demands.
- Beginning with the 2009-10 fiscal year, the Utility Rate structure was evaluated by the Board one year at a time. For 2009-10 the Board decided on no increase in rates. This was applied to both the operating and capital component of rates. Rate increases were implemented for the 2010-19 fiscal years. These increases were for additional costs and to provide resources for the construction of the now completed Burnt Cedar Water Disinfection Plant Upgrade and the planned replacement project for several miles of our effluent pipeline. There are also a multitude of projects to upgrade pump stations. The design of these projects is ongoing. Both rates and planning for major construction is reviewed annually for the next five years.
- Parcel Owner user rates are based on market data and operating needs of the community activities as determined during budget preparation and adopted by the Board of Trustees.
- Personnel cost comprised 36% of annual expenditures. The 2018-19 budgeted for base wages and salaries, and benefits to increase including 3% cost of living wage or merit increases, and 12% for health benefits rates in January 2019. It also right sized staffing for increased service levels.
- In these economic times employee retention is a key to the success of the District. The District continues to seek a balance of market forces and its economic realities with the benefits of longevity and employee institutional knowledge. Though many employees are part time we strive to have them move from venue to venue or season to season.

Request of Information

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning the information provided in this report or request for additional financial information should be addressed to the Director of Finance, 893 Southwood Boulevard, Incline Village, Nevada, 89451. This report will also be available on the District's website at www.yourtahoeplace.org.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

BASIC FINANCIALS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,215,642	\$ 4,366,202	\$ 14,581,844
Short term investments	5,741,868	2,248,044	7,989,912
Receivables:			
Accounts receivable, net	17,780	1,204,623	1,222,403
Interest on investments	36,806	32,109	68,915
Taxes and Fees from Washoe County	38,914	-	38,914
Grants Receivable	371,079	12,881	383,960
Due from other governments	505,808	-	505,808
Inventories and supplies	675,985	154,393	830,378
Prepaid items	607,541	188,880	796,421
Long term investments	6,276,812	5,526,854	11,803,666
Restricted assets:			
Temporarily restricted investments	379,577	316,611	696,188
Capital assets:			
Land	16,971,753	6,715,544	23,687,297
Construction in progress	2,157,103	1,418,052	3,575,155
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehides, net of accumulated depreciation	38,510,919	61,024,688	99,535,607
Total assets	<u>82,507,587</u>	<u>83,208,881</u>	<u>165,716,468</u>
LIABILITIES			
Accounts payable	1,395,283	736,835	2,132,118
Accrued personnel costs	1,657,774	344,526	2,002,300
Accrued interest payable	11,235	61,387	72,622
Due to other governments	45,284	-	45,284
Unearned revenue	2,007,271	148,929	2,156,200
Noncurrent liabilities:			
Due within one year	361,000	523,988	884,988
Due in more than one year	1,131,683	4,084,938	5,216,621
Total liabilities	<u>6,609,530</u>	<u>5,900,603</u>	<u>12,510,133</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow	<u>242,584</u>	<u>-</u>	<u>242,584</u>
NET POSITION			
Net investment in capital assets	56,147,092	64,549,358	120,696,450
Restricted Investments by Third Party Agreement	136,993	316,611	453,604
Unrestricted	19,371,388	12,442,309	31,813,697
Total net position	<u>\$ 75,655,473</u>	<u>\$ 77,308,278</u>	<u>\$ 152,963,751</u>

The notes to the financial statements are an integral part of this statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 4,194,237	\$ 1,169,400	\$ -	\$ -	\$ (3,024,837)	\$ -	\$ (3,024,837)
Community Services	20,345,198	17,748,644	17,000	267	(2,579,287)	-	(2,579,287)
Beach	2,142,259	1,492,687	-	-	(649,572)	-	(649,572)
Fleet, Engineering, Bldgs. & Work Comp	3,306,507	3,304,862	-	-	(1,645)	-	(1,645)
Total governmental-type activities	<u>29,988,201</u>	<u>23,715,593</u>	<u>17,000</u>	<u>267</u>	<u>(6,255,341)</u>	<u>-</u>	<u>(6,255,341)</u>
Business-type activities:							
Utilities	10,554,488	12,785,742	1,440	-	-	2,232,694	2,232,694
Total primary government	<u>\$ 40,542,689</u>	<u>\$ 36,501,335</u>	<u>\$ 18,440</u>	<u>\$ 267</u>	<u>(6,255,341)</u>	<u>2,232,694</u>	<u>(4,022,647)</u>
General revenues:							
Property taxes					1,622,486	-	1,622,486
Combined taxes					1,690,222	-	1,690,222
Facility Fees					6,756,410	-	6,756,410
Unrestricted investment earnings					563,685	282,484	846,169
Gain on sale of capital assets					39,168	15,066	54,234
Insurance Proceeds					50,300	-	50,300
Miscellaneous revenues					114,777	-	114,777
Transfers In (Out)					(120,000)	120,000	-
Total general revenues and transfers					<u>10,717,048</u>	<u>417,550</u>	<u>11,134,598</u>
Changes in net position					<u>4,461,707</u>	<u>2,650,244</u>	<u>7,111,951</u>
Net position - beginning, as previously reported					71,073,766	74,778,034	145,851,800
Prior period adjustment					120,000	(120,000)	-
Net position - beginning, as adjusted					<u>71,193,766</u>	<u>74,658,034</u>	<u>145,851,800</u>
Net position - ending					<u>\$ 75,655,473</u>	<u>\$ 77,308,278</u>	<u>\$ 152,963,751</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS								
Cash, cash equivalents and investments	\$ 4,619,435	\$ 14,751,053	\$ 1,945,888	\$ 372,676	\$ 109,433	\$ -	\$ -	\$ 21,798,485
Accounts receivable, net	4,754	13,026	-	-	-	-	-	17,780
Interest receivable on investments	16,732	17,704	2,370	-	-	-	-	36,806
Taxes and Fees from Washoe County	7,147	27,153	4,614	-	-	-	-	38,914
Grants receivable	-	1,417	-	369,662	-	-	-	371,079
Due from other governments	336,693	144,868	24,247	-	-	-	-	505,808
Inventories	-	573,951	-	-	-	-	-	573,951
Prepaid items	196,742	362,360	34,532	-	-	-	-	593,634
Restricted deposits	242,584	135,993	1,000	-	-	-	-	379,577
Total assets	\$ 5,424,087	\$ 16,027,525	\$ 2,012,651	\$ 742,338	\$ 109,433	\$ -	\$ -	\$ 24,316,034
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 305,100	\$ 507,537	\$ 42,169	\$ 372,676	\$ 109,433	\$ -	\$ -	\$ 1,336,915
Accrued personnel costs	1,078,016	298,132	28,253	-	-	-	-	1,404,401
Due to other governments	32,756	-	12,528	-	-	-	-	45,284
Unearned revenue	45	1,887,903	119,323	-	-	-	-	2,007,271
Total liabilities	1,415,917	2,693,572	202,273	372,676	109,433	-	-	4,793,871
Deferred Inflow of Resources								
Deferred Inflow	242,584	-	-	369,662	-	-	-	612,246
Fund balance:								
Non-spendable	196,742	936,311	34,532	-	-	-	-	1,167,585
Restricted Deposits by Third Party Agreement	-	135,993	1,000	-	-	-	-	136,993
Assigned	-	12,261,649	1,774,846	-	-	-	-	14,036,495
Unassigned	3,568,844	-	-	-	-	-	-	3,568,844
Total fund balance	3,765,586	13,333,953	1,810,378	-	-	-	-	18,909,917
Total liabilities and fund balance	\$ 5,424,087	\$ 16,027,525	\$ 2,012,651	\$ 742,338	\$ 109,433	\$ -	\$ -	\$ 24,316,034

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Net Position that are not included in the Governmental Funds Balance Sheet (because):

Total Fund Balance for Governmental Activities	\$ 18,909,917
General Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	3,220,082
Community Services Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	49,497,425
Accrued interest, not to be liquidated from currently available resources	(11,054)
Capital Grants in Deferred Inflows due to collection beyond 60 days	369,662
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(1,473,882)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	5,232
Beach Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	4,845,360
Accrued interest, not to be liquidated from currently available resources	(181)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(24,118)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	85
Internal Services Fund:	
Total Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	316,945
Net Position of Governmental Activities	\$ 75,655,473

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes	\$ 1,615,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,615,540
Personal Property Tax	17,871	-	-	-	-	-	-	17,871
Intergovernmental:								
Consolidated taxes	1,440,607	-	-	-	-	-	-	1,440,607
Local Government Tax Act	249,615	-	-	-	-	-	-	249,615
Services	-	14,570	-	-	-	-	-	14,570
Charges for Services	-	17,648,014	1,492,687	-	-	-	-	19,140,701
Interfund Services	-	86,060	-	-	-	-	-	86,060
Facility Fees - Operations	-	2,984,399	774,928	-	-	-	-	3,759,327
Facility Fees - Capital Expenditure	-	2,508,528	198,558	-	-	-	-	2,707,086
Facility Fees - Debt Service	-	329,848	1,635	-	-	-	-	331,483
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	31,958	-	-	-	31,958
Investment income	327,815	199,322	36,188	-	-	-	-	563,325
Miscellaneous	2,002	112,777	-	-	-	-	-	114,779
Total revenues	3,653,450	23,900,518	2,503,996	31,958	-	-	-	30,089,922
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	418,829	-	-	-	-	-	-	418,829
Trustees	175,882	-	-	-	-	-	-	175,882
Accounting	884,240	-	-	-	-	-	-	884,240
Information Services	828,368	-	-	-	-	-	-	828,368
Risk Management	137,019	-	-	-	-	-	-	137,019
Human Resources	682,394	-	-	-	-	-	-	682,394
Health & Wellness	28,816	-	-	-	-	-	-	28,816
Community & Employee Relations	194,398	-	-	-	-	-	-	194,398
Administration	583,203	-	-	-	-	-	-	583,203
Central Services Cost Allocation Income	(1,169,400)	-	-	-	-	-	-	(1,169,400)
Capital Outlay	121,257	-	-	-	-	-	-	121,257
RECREATION								
Championship Golf	-	4,285,423	-	-	-	-	-	4,285,423
Mountain Golf	-	960,442	-	-	-	-	-	960,442
Facilities	-	482,527	-	-	-	-	-	482,527
Ski	-	7,830,948	-	-	-	-	-	7,830,948
Community Programming and Recreation Center	-	2,296,972	-	-	-	-	-	2,296,972
Parks	-	815,439	-	-	-	-	-	815,439
Tennis	-	253,544	-	-	-	-	-	253,544
Recreation Administration	-	363,285	-	-	-	-	-	363,285
Beach	-	-	1,906,516	-	-	-	-	1,906,516
Capital Outlay	-	-	-	6,043,500	284,298	-	-	6,327,798
Debt Service	-	-	-	-	-	344,365	5,635	350,000
Principal	-	-	-	-	-	37,036	606	37,642
Interest	-	-	-	-	-	-	-	-
Total expenditures	2,885,006	17,288,580	1,906,516	6,043,500	284,298	381,401	6,241	28,795,512
Excess revenues (expenditures)	768,444	6,611,938	597,480	(6,011,542)	(284,298)	(381,401)	(6,241)	1,294,380
OTHER FINANCING SOURCES:								
Sale of Capital and Intraigible Assets	-	34,567	-	5,592	-	-	-	40,159
Insurance Proceeds	-	50,300	-	-	-	-	-	50,300
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,508,528)	(198,558)	2,508,528	198,558	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(329,848)	(1,635)	-	-	329,848	1,635	-
Transfers In (Out) - From (to) Other Sources	(325,644)	(521,945)	35,000	1,169,945	-	-	-	351,356
Net change in fund balance	442,800	3,333,484	432,287	(2,327,477)	(85,740)	(51,553)	(4,606)	1,739,195
Fund balance, July 1, as previously reported	2,522,786	10,645,469	1,413,091	2,327,477	85,740	51,553	4,606	17,050,722
Prior period adjustment	800,900	(645,000)	(35,000)	-	-	-	-	120,900
Fund balance, July 1, as adjusted	3,322,786	10,000,469	1,378,091	2,327,477	85,740	51,553	4,606	17,170,722
Fund balance, June 30	\$ 3,765,586	\$ 13,333,953	\$ 1,810,378	\$ -	\$ -	\$ -	\$ -	\$ 18,909,917

The notes to the financial statements are an integral part of this statement

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities are different because the Governmental Funds account for a flow of resources while the Statement of Activities is on a full accrual basis of accounting:

Total Net Change in Fund Balance for Governmental Funds \$ 1,739,195

General Fund:

Taxes for periods through June 30, 2019 that were received after August 30, 2019.	(10,925)
Capital Assets acquired during the year and capitalized	121,257
Unallocated depreciation expense for the fiscal year	(261,088)

Community Services Fund:

Facility Fees for periods through June 30, 2019 that were received after August 30, 2019.	(35,697)
Capital Assets acquired during the year and capitalized	6,043,500
Depreciation expense for the fiscal year	(3,020,525)
Net book value of assets sold	(991)
Pump Track Capital Grants collected for prior year	(31,691)
Principal paid on long-term liabilities, including bonds payable	344,365
Interest accrued versus paid	2,583
Amortize Bond Discount for fiscal year	(1,640)
Miscellaneous revenue	(2)

Beach Fund:

Facility Fees for periods through June 30, 2019 that were received after August 30, 2019.	(5,789)
Capital Assets acquired during the year and capitalized	284,298
Depreciation expense for the fiscal year	(235,152)
Principal paid on long-term liabilities, including bonds payable	5,635
Interest accrued versus paid	42
Amortize Bond Discount for fiscal year	(27)

Internal Services Fund:

Total Change in Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	<u>(475,641)</u>
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Change in Net Position of Governmental Activities	<u>\$ 4,461,707</u>
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The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,611,738	\$ 1,611,738	\$ 1,615,540	\$ 3,802
Personal Property Tax	12,000	12,000	17,871	5,871
Intergovernmental:				
Consolidated Tax	1,423,595	1,423,595	1,440,607	17,012
Local Government Tax Act	238,000	238,000	249,615	11,615
Investment earnings	138,600	138,600	327,815	189,215
Miscellaneous	3,600	3,600	2,002	(1,598)
Total revenues	<u>3,427,533</u>	<u>3,427,533</u>	<u>3,653,450</u>	<u>225,917</u>
EXPENDITURES				
GENERAL GOVERNMENT:				
Manager	418,809	418,809	418,829	(20)
Trustees	205,930	205,930	175,882	30,048
Accounting	903,274	903,274	884,240	19,034
Information Services	1,012,522	1,012,522	828,368	184,154
Risk Management	146,884	146,884	137,019	9,865
Human Resources	729,083	729,083	682,394	46,689
Health and Wellness	41,090	41,090	28,816	12,274
Communications	191,579	191,579	194,398	(2,819)
Administration	454,118	454,118	583,203	(129,085)
Central Services Cost Allocation Income	(1,169,400)	(1,169,400)	(1,169,400)	-
Capital Outlay	435,950	435,950	121,257	314,693
Total expenditures	<u>3,369,839</u>	<u>3,369,839</u>	<u>2,885,006</u>	<u>484,833</u>
Excess (deficiency) of revenues over expenditures	<u>57,694</u>	<u>57,694</u>	<u>768,444</u>	<u>710,750</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(125,000)	(125,000)	-	125,000
Operating Transfers (Out)	-	-	(325,644)	(325,644)
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(325,644)</u>	<u>(200,644)</u>
Net changes in fund balance	<u>(67,306)</u>	<u>(67,306)</u>	<u>442,800</u>	<u>510,106</u>
Fund balance, July 1, as previously reported	2,432,349	2,432,349	2,522,786	90,437
Prior Period Adjustment	-	-	800,000	800,000
Fund balance, July 1, as adjusted	<u>2,432,349</u>	<u>2,432,349</u>	<u>3,322,786</u>	<u>890,437</u>
Fund balance, June 30	<u>\$ 2,365,043</u>	<u>\$ 2,365,043</u>	<u>\$ 3,765,586</u>	<u>\$ 1,400,543</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Championship Golf	\$ 3,992,444	\$ 3,992,444	\$ 3,902,689	\$ (89,755)
Mountain Golf	690,926	690,926	740,968	50,042
Facilities	406,900	406,900	392,246	(14,654)
Ski	8,915,000	11,715,000	11,778,871	63,871
Community Programming and Recreation Center	1,305,414	1,305,414	1,364,044	58,630
Parks	67,740	67,740	46,580	(21,160)
Tennis	159,700	159,700	153,435	(6,265)
Recreation Administration	(510,600)	(510,600)	(730,819)	(220,219)
Subtotal Charges for Services	15,027,524	17,827,524	17,648,014	(179,510)
Facility Fees - Operations	1,765,150	1,765,150	2,984,399	1,219,249
Facility Fees - Capital Projects	3,612,400	3,612,400	2,508,528	(1,103,872)
Facility Fees - Debt service	410,500	410,500	329,848	(80,652)
Intergovernmental Services	21,000	21,000	14,570	(6,430)
Interfund Services	77,920	77,920	86,060	8,140
Operating Grants	17,000	17,000	17,000	-
Investment income	30,000	30,000	199,322	169,322
Miscellaneous - other	106,480	106,480	112,777	6,297
Total revenues	<u>21,067,974</u>	<u>23,867,974</u>	<u>23,900,518</u>	<u>32,544</u>
EXPENDITURES				
COMMUNITY SERVICES RECREATION:				
Championship Golf	4,171,759	4,171,759	4,285,423	(113,664)
Mountain Golf	1,019,953	1,019,953	960,442	59,511
Facilities	547,202	547,202	482,527	64,675
Ski	7,353,714	7,783,714	7,830,948	(47,234)
Community Programming and Recreation Center	2,350,783	2,350,783	2,296,972	53,811
Parks	848,133	848,133	815,439	32,694
Tennis	263,670	263,670	253,544	10,126
Recreation Administration	375,000	375,000	363,285	11,715
Total expenditures	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Excess (deficiency) of revenues over expenditures	<u>4,137,760</u>	<u>6,507,760</u>	<u>6,611,938</u>	<u>104,178</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	241,875	241,875	645,000	403,125
Sale of assets	-	-	34,567	34,567
Insurance Proceeds	-	-	50,300	50,300
Contingency	(500,000)	(500,000)	-	500,000
Operating Transfers (Out) - Capital Projects	(6,070,675)	(6,070,675)	(3,678,473)	2,392,202
Operating Transfers (Out) - Debt Service	(410,500)	(410,500)	(329,848)	80,652
Total other financing sources (uses)	<u>(6,739,300)</u>	<u>(6,739,300)</u>	<u>(3,278,454)</u>	<u>3,460,846</u>
Net changes in fund balance	<u>(2,601,540)</u>	<u>(231,540)</u>	<u>3,333,484</u>	<u>3,565,024</u>
Fund Balance, July 1, as previously reported	11,515,351	10,645,469	10,645,469	-
Prior Period Adjustment	-	-	(645,000)	(645,000)
Fund Balance, July 1, as adjusted	<u>11,515,351</u>	<u>10,645,469</u>	<u>10,000,469</u>	<u>(645,000)</u>
Fund balance, June 30	<u>\$ 8,913,811</u>	<u>\$ 10,413,929</u>	<u>\$ 13,333,953</u>	<u>\$ 2,920,024</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for Services				
Beach	\$ 1,338,500	\$ 1,338,500	\$ 1,492,687	\$ 154,187
Facility Fees - Operations	659,260	659,260	774,928	115,668
Facility Fees - Capital Projects	302,484	302,484	198,558	(103,926)
Facility Fees - Debt service	7,756	7,756	1,635	(6,121)
Investment earnings	13,500	13,500	36,188	22,688
Total revenues	<u>2,321,500</u>	<u>2,321,500</u>	<u>2,503,996</u>	<u>182,496</u>
EXPENDITURES				
BEACH RECREATION:				
Beach	<u>1,922,976</u>	<u>1,922,976</u>	<u>1,906,516</u>	<u>16,460</u>
Excess (deficiency) of revenues over expenditures	<u>398,524</u>	<u>398,524</u>	<u>597,480</u>	<u>198,956</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Operatign Transfers In	13,125	13,125	35,000	21,875
Operating Transfers (Out) - Capital Projects	(306,328)	(306,328)	(198,558)	107,770
Operating Transfers (Out) - Debt Service	(7,756)	(7,756)	(1,635)	6,121
Total other financing sources (uses)	<u>(350,959)</u>	<u>(350,959)</u>	<u>(165,193)</u>	<u>185,766</u>
Net changes in fund balance	<u>47,565</u>	<u>47,565</u>	<u>432,287</u>	<u>384,722</u>
Fund Balance, July 1, as previously reported	1,444,497	1,444,497	1,413,091	(31,406)
Prior Period Adjustment	-	-	(35,000)	(35,000)
Fund Balance, July 1, as adjusted	<u>1,444,497</u>	<u>1,444,497</u>	<u>1,378,091</u>	<u>(66,406)</u>
Fund balance, June 30	<u>\$ 1,492,062</u>	<u>\$ 1,492,062</u>	<u>\$ 1,810,378</u>	<u>\$ 318,316</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,366,202	\$ 435,837
Short term investments	2,248,044	-
Accounts receivable	1,204,623	-
Interest receivable	32,109	-
Grants receivable	12,881	-
Inventories	154,393	102,034
Prepaid expenses	188,880	13,907
Total current assets	8,207,132	551,778
Non-current assets:		
Investments - long-term	5,526,854	-
Contractual deposits	100	-
Restricted deposit for debt service reserve	224,761	-
Restricted for TRPA Deposits	91,750	-
	5,843,465	-
Capital Assets		
Land	6,715,544	-
Construction in progress	1,418,052	-
Buildings and structures	15,503,863	-
Improvements and Infrastructure	113,807,857	-
Equipment and vehicles	3,696,213	253,869
Total capital assets	141,141,529	253,869
Less: accumulated depreciation	(71,983,245)	(176,961)
Total capital assets (net)	69,158,284	76,908
Total non-current assets	75,001,749	76,908
Total assets	83,208,881	628,686
LIABILITIES		
Current liabilities:		
Accounts payable	736,835	58,368
Accrued personnel costs	344,526	253,373
Accrued interest payable	61,387	-
Unearned revenue	148,929	-
Current maturities of long-term debt	523,988	-
Total current liabilities	1,815,665	311,741
Non-current liabilities:		
Non-current long term debt	4,084,938	-
Total liabilities	5,900,603	311,741
NET POSITION		
Net investment in capital assets	64,549,358	76,908
Restricted Deposits by Third Party Agreement	316,611	-
Unrestricted	12,442,309	240,037
Total net position	\$ 77,308,278	\$ 316,945

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
OPERATING REVENUES		
Sales and fees	\$ 12,673,889	\$ -
Operating grants	1,440	-
Interfund services	111,853	3,304,862
Total operating revenues	12,787,182	3,304,862
OPERATING EXPENSES		
Wages and benefits	3,951,364	1,899,914
Cost of goods sold	4,624	-
Services and supplies	1,796,401	871,784
Defensible Space	100,000	-
Central Services Cost	308,600	-
Insurance	172,276	511,410
Utilities	862,768	10,838
Professional fees	78,295	-
Depredation	3,153,809	12,561
Total operating expenses	10,428,137	3,306,507
Operating income	2,359,045	(1,645)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	282,484	360
Gain (loss) on sales of assets	15,066	-
Interest on bond debt	(126,351)	-
Total nonoperating revenues (expenses)	171,199	360
Income before transfers and contributions	2,530,244	(1,285)
Transfer In (Out)	120,000	(474,356)
Changes in net position	2,650,244	(475,641)
Total net position, July 1, as previously reported	74,778,034	792,586
Prior period adjustment	(120,000)	-
Total net position, July 1, as adjusted	74,658,034	792,586
Total net position, June 30	\$ 77,308,278	\$ 316,945

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 12,264,273	\$ -
Receipts from interfund services provided	111,853	3,304,862
Receipts from operating grants	1,440	-
Payments to suppliers	(3,463,230)	(1,526,271)
Payments to employees	(3,930,319)	(1,790,450)
Net cash provided (used) by operating activities	<u>4,984,017</u>	<u>(11,859)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer (to) from other funds	-	(474,356)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(474,356)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(2,816,092)	-
Proceeds (costs) from sale of assets	15,066	-
Payments on capital debt	(509,678)	-
Capital contributions	114,787	-
Interest expense	(133,456)	-
Net cash provided (used) by capital and related financing activities	<u>(3,329,373)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted investments released (increased)	(7,267)	103,880
Investments purchased	(4,500,000)	-
Long-term investments matured	255,939	-
Investment earnings	198,470	360
Net cash provided (used) by investing activities	<u>(4,052,858)</u>	<u>104,240</u>
Net change in cash and cash equivalents	(2,398,214)	(381,975)
Cash and cash equivalents, July 1	<u>6,764,416</u>	<u>817,812</u>
Cash, cash equivalents and investments, June 30	<u>\$ 4,366,202</u>	<u>\$ 435,837</u>

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 2,359,045	\$ (1,645)
Non-cash adjustments -		
Depreciation	3,153,809	12,561
Increase (decrease) in cash from changes in:		
Accounts receivable	(15,027)	-
Inventory	1,589	(12,636)
Prepaid expenses	(17,417)	(4,376)
Accounts payable	(124,438)	(115,227)
Accrued personnel costs	21,045	109,464
Unearned revenue and customer deposits	(394,589)	-
Total adjustments	2,624,972	(10,214)
Net cash provided (used) by operating activities	\$ 4,984,017	\$ (11,859)

The notes to the financial statements are an integral part of this statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Incline Village General Improvement District (the "District") operates under provisions of the Nevada Revised Statutes (NRS), Chapter 318. Under the law, this General Improvement District has been granted authority by Washoe County to provide water, sewer and solid waste services, and recreational facilities and programs for the benefit of individuals owning property or residing within its geographical boundaries. The unincorporated rural areas of Incline Village and Crystal Bay, Washoe County, Nevada are within these boundaries.

The District is governed by a board of five publicly elected trustees. The District is not included in any other governmental reporting entity. The District is a legally separate government and it is fiscally independent of any other governmental entity. The District is not financially accountable for any other entity.

B. Basic Financial Statements - Government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts --net investment in capital assets, restricted; and unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who receive a direct benefit from goods or services. Grants and contributions are restricted to meeting the operational or capital requirements of a function. General revenues reflect items that are not included as either program revenue or grants and contributions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants.

C. Basic Financial Statements - Fund financial statements

The financial transactions of the District are reported in individual purpose based fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and proprietary funds. The District has no fiduciary funds. Major funds for each fund type are presented as separate columns in the fund financial statements.

D. Measurement Focus/Basis of Accounting – Fund financial statements

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the timing of revenues and how expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the close of the fiscal period. Expenditures are generally recorded when the liability is incurred as under the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. The Proprietary funds utilize the accrual basis of accounting.

The District's internal services are presented in the proprietary fund's financial statements. The principal users of Internal Services (Fleet, Engineering and Buildings) are the District's utility and recreation program fund activities. Another internal service provides Workmen's Compensation benefits to all funds. Each activity pays premiums based on its payroll to provide resources for the coverage. The actual benefit is provided by purchasing a fully insured program from the Nevada Public Compensation Trust. All Internal Services are considered a governmental - type activity for the Government-wide financial statements. The majority of utilization of internal services is by the Utility Fund, Community Services and the Beach funds. The effect of inter-fund activity has not been eliminated from the Government-wide financial statements.

The District uses the following funds (all considered Major):

Governmental Funds -

General Fund - is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund's primary function is to provide general administration for all other functions.

Community Services – providing recreation to approximately 8,200 parcel owners, their guests and visitors.

- Special Revenue Fund – operation of golf, event facilities, downhill skiing, recreation and fitness programs, parks and tennis
- Capital Projects Fund – capital projects related to recreation functions
- Debt Service Fund – debt service related to recreation functions

Beach – providing beach, picnic areas, boat launching and swimming pool programs to approximately 7,700 parcel owners and their guests.

- Special Revenue Fund – operations of beach functions
- Capital Projects Fund – capital projects related to beach functions
- Debt Service Fund – debt service related to beach functions

Proprietary Funds -

Enterprise Funds - The Enterprise Funds are used to account for operations of the District's Utility Departments. **Utility Fund** – providing water, sewer, solid waste and recycling services to approximately 4,100 customers.

Internal Service Funds – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the District. The District provides Fleet, Engineering, and Buildings Maintenance which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The District has Worker's Compensation that provides a combination of resources for prior claims and purchases current coverage for benefits. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment. The Worker's Compensation Department provides District-wide worker's current period compensation coverage of benefits through a government risk pool.

E. Compliance with Nevada Revised Statutes and Nevada Administrative Code

The District adheres to the Local Government Budget Act incorporated within Chapter 354 of the Nevada Revised Statutes, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

1. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 23, 2018, at a public hearing, the Board adopted a final budget. On or before June 1, 2018 the final budget was filed with the Nevada Department of Taxation.
2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and, if necessary, public hearing procedures. The District did augment its budget for the 2018-19 fiscal year.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

The District conformed to all significant statutory constraints on its financial administration.

F. Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition that are held for routine expenditures.

District Funds share bank accounts for operations, payroll and reimbursements. Activity between funds occurs in the regular activities of the District. The General Fund issues accounts payable and payroll and related benefits for all funds. To the extent payment has not occurred, but the cost was realized by the benefitted fund, internal balances for Due from or to Other Funds are established. These are cleared monthly through pooled cash. The combined pooled balances are monitored to assure no fund makes temporary loans to another, within the context of Nevada Revised Statute 354.6118.

Short term investments reflect items held with maturities within one year. These are predominantly certificates of deposit and agency issues. These provide funds for capital projects.

Long-term investments reflect items held with maturities beyond one year. These include certificates of deposit and instruments issued by the Federal Government or its agencies.

Nevada Revised Statutes authorize the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government investment pool (LGIP) (operated by the Nevada State Treasurer); negotiable 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.

Funds on deposit with LGIP are considered cash and cash equivalents. Even though the weighted average maturity of the underlying investments in the LGIP are greater than 90 days, the District can liquidate its deposits within a few days. The District has reported these deposits as cost plus accrued interest which approximates fair value.

The District's Investments are stated at fair value as of the reporting date. These are categorized using fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based in the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2019:

U. S. Agencies securities are valued at quoted market prices (Level 1 inputs)

Certificates of Deposits valued at quoted market prices (Level 1 inputs)

G. Receivables

Property taxes are levied no later than July 10 of each year on property values assessed for the same year. The taxes may be paid in four installments as follows: the first installment is due on or before the third Monday in August, the second installment is due on or before the first Monday in October, the third installment is due on or before the first Monday in January, and the fourth installment is due on or before the first Monday in March. If payment of the taxes is not made within ten days following the day the installments become due, penalties are assessed in accordance with NRS 361.483. Once the installments become delinquent, interest is added at the rate of 10 percent per annum. Taxes levied become a perpetual lien against the property assessed until the tax and any penalty charges and interest which may accrue thereon are paid. Washoe County assesses the property tax, bills, collects, and distributes the property tax revenue.

Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. An allowance for doubtful accounts is considered and at present, the allowance totals \$2,283. The District may file a tax lien for uncollected utility service fees.

The District has been granted resources to finance the construction of various utility infrastructures, restoration of a creek zone and to upgrade a ballfield. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable. The District also has an operating grant from Washoe County, received monthly in arrears. The uncollected balance of this grant is carried in Due from Other Governments.

The District receives certain tax revenues in the General Fund which are collected by the State of Nevada. These settlements arrive within 60 days of the month close when they are generated. The amounts are listed as Due from Other Governments.

H. Inventory and Prepaid Items

There are no inventories in the General Fund. Inventories of items for resale for Community Services Special Revenue and Proprietary Funds are stated at the lower of cost (first-in, first-out) or market. Prepaid Expenses are recognized under the consumption method as items are used.

Certain payments are made to vendors for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. They are recognized under the consumption method when used.

I. Restricted Assets

The District has restricted several deposits for the benefit of other agencies in connection with performance under a retail operation, construction, debt service and providing workers compensation benefits. These agencies establish the restriction by regulation or agreement.

J. Capital Assets

Capital assets include land, buildings, machinery and equipment, or water rights which are reported in the applicable governmental or business-type activities column in the government-wide financial statements. If purchased or constructed, all capital assets are recorded at historical cost. Donated capital assets are valued at acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible capital assets (all categories except land and construction in progress) is charged as an expense against each fund's operation. The District's policy is to capitalize assets with a normal useful life of three or more years. The District holds 4,272 Acre Feet of Water Rights. This represents about 1,405,000,000 gallons. The District's historical records cannot separately identify the cost of water rights from land.

Activities of the General Fund include District administration, accounting and finance, information systems and technology, human resources, risk management, the General Manager's office, communications and the Board of Trustees. The land, buildings, furniture and equipment, including technology assets, represent items used in common by all of the activities of the General Fund at the District's administrative office. The computers and technology represent equipment of the Information Systems & Technology (IST) department that services the needs of the entire District. These assets are presented as a part of government-wide net assets.

Activities of the Community Services Special Revenue Fund include two 18-hole golf courses, a large and small meeting facility, a ski resort, a recreation center, parks, tennis center, a skateboard park and green spaces. Venue improvements includes the cost of developing program ready locations.

Utility capital assets include traditional distribution lines, tanks, pumps and treatment. However, since the District is located in the Lake Tahoe Basin, the number of pumps, tanks and export lines is increased due to the requirements to manage in a mountainous and environmentally sensitive area.

The District has a number of Construction in Progress items since the fiscal year falls in the middle of the active acquisitions season. It is the nature of major projects to span multiple fiscal periods. The District accumulates costs through a series of pre-design, design and acquisition stages.

Interest is capitalized for assets used in business-type activities funded by debt.

Depreciation has been provided over the estimated useful lives of the various assets using the straight-line method. Estimated lives and capitalization thresholds of major classes of depreciable assets are as follows:

<u>Asset Category</u> <u>Threshold</u>	<u>Depreciable Life</u>	<u>Capitalization</u>
Buildings and Structures	30 - 50 years	\$10,000
Improvements and Infrastructure	10 - 50 years	\$10,000
Equipment and Vehicles	3 - 20 years	\$ 5,000

With its location within the Lake Tahoe Basin, Defensible Space is an important function for the District. This is generally accomplished through contracts with the North Lake Tahoe Fire Protection District which serves essentially the same geographic area as the District. Defensible Space expenditures range from clearing the understory to major tree removal and fuels reduction. The goal of the program is to create a “halo” around the community restricting the movement of wildfire in or out of the community. The substance of those efforts removes vegetation and other fuels as they accumulate. The degree of work in any given area rotates over time based on conditions as assessed by the Fire District. Much of the funding for the effort comes from other governments on a Federal, State and local level. The IVGID contribution is focused on treatment of District owned parcels. The District budgets to provide resources for its share of contracted expenditures. The work provides an ongoing benefit, but the District expenses all costs as incurred.

K. Amortization of Bond Discounts and Premiums

The discounts on bonds sold are being amortized to expense over the term of the bonds. Bonds payable are reported net of related discounts.

L. Compensated Absences and Accrued Personnel Costs

Full-time employees are provided vacation benefits that specifically relate to tenure with the District. After six months of service, employees are entitled to their vested vacation leave upon termination. The liability for vacation benefits is recognized with an expenditure or charge to the appropriate fund and activity as earned.

The District pays payroll every two weeks. Any District payroll earned as of month end is accrued based on the number of days attributed to that month to the total 14 days paid with the next scheduled payroll. Liabilities for fringe benefits and other costs, such as taxes, are also accrued on the same method.

The District has adopted a plan under which certain retirees, who have met specific service requirements, can roll unused sick leave pay to cover medical expenses after retirement. Otherwise sick leave is not vested.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that will apply to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

N. Unearned Revenue and Refundable Deposits

The District's Utility Fund reads meters in 3 cycles over the course of a month. Billing occurs once a month. Billings for the next cycle are also reconciled with actual usage. Funds received for the Tahoe Water Suppliers Association are recognized only to the extent expended and may roll over to the next year.

The District's Community Services Fund recognizes unearned revenue to the extent it has issued user passes, gift or payment cards that can be applied to future purchases. There also are advance deposits made to reserve dates for facility rentals or program registrations. User passes expire with each season.

O. Long-Term Debt

In the government-wide financial statement, and proprietary fund financial statements, long term debts are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statements net of related discounts. Bond discounts are amortized using the straight-line method and are amortized over the term of the related debt.

P. Fund Balance

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include "non-spendable" which are not expected to be converted to cash, such as inventory or prepaid items, "restricted" by conditions of law, regulation grants or contract with external parties, "committed" which arise from acts of the District's Board, "assigned" which reflect an intent by management of the District or "unassigned" which is the residual amount. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District, which can act by their resolution, prior to the end of the fiscal year, and thus commit fund balance. Once adopted, the limitation imposed by the Board of Trustees remains in place until a similar resolution is taken to remove or revise the limitation.

An assigned fund balance can be specified by the District's General Manager.

The District's Board of Trustees has adopted a policy and practice statement on the Appropriate Level of Fund Balance.

The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed when amounts are available for the same use. The District's Governmental fund types first utilizes committed resources as authorized, then assigned and then unassigned when amounts are available for the same use.

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.

Cash and Cash Equivalents at June 30, 2019 consist of:

Operating Checking Accounts	\$2,198,036
Petty cash and change funds	72,255
Nevada Local Government Investment Pool (average weighted maturity of 116 days)	
General LGIP Account	8,146,152
Utility LGIP Account	3,014,539
US Government Money Market	<u>1,150,862</u>
Total Cash and Cash Equivalents	<u>\$14,581,844</u>

A portion of the District's investments are placed with Wells Fargo Bank as custodian in the US Government Money Market, where fair value is determined by multiplying the number of trading units held, by the quoted market value on that date.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares.

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has adopted a formal investment policy that meets those limits and maturities for its investment choices. Essentially those investments are brokered certificates of deposit and government agencies.

The District categorizes its fair value measurements for investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs.

Fair Value Measurements as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of Deposit	\$ 14,053,485	\$ -	\$14,053,485
US Agencies	5,740,093	-	<u>5,740,093</u>
Interest Bearing Amounts - Investments			19,793,578
LGIP at Net Asset Value (Cash Equivalent)			11,160,691
LGIP Restricted Deposits at Net Asset Value			<u>447,429</u>
Total Fair Value Measurements			<u>\$31,401,698</u>

Investment Maturities by Investment Type as of June 30, 2019:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Certificates of Deposit	\$2,499,777	\$7,779,883	\$3,773,825	\$14,053,485
US Agencies	<u>5,490,135</u>	-	249,958	<u>5,740,093</u>
Subtotal interest bearing	<u>7,989,912</u>			19,793,578
LGIP as a Cash Equivalent				11,160,691
LGIP - Restricted Deposits	447,429			<u>447,429</u>
All Investment Types				<u>\$ 31,401,698</u>

Investment Maturities by Activity as of June 30, 2019:

	Governmental Activities	Business- Type Activities	Total
Short term	\$ 5,741,868	\$ 2,248,044	\$ 7,989,912
Long term	6,276,812	5,526,854	11,803,666
LGIP as a Cash Equivalent	8,146,152	3,014,539	11,160,691
LGIP - Restricted Deposit	<u>130,918</u>	<u>316,511</u>	<u>447,429</u>
Total Investment Activity Type	<u>\$ 20,295,750</u>	<u>\$11,105,948</u>	<u>\$31,401,698</u>

Interest Rate Risk - To the extent possible, the maturities of securities held within District portfolios shall be closely matched to the District's cash flow requirements for day to day operations, planned capital projects and unknown future contingencies.

Credit Risk – The District's Investment Policy is based on the Uniform Prudent Investors Act and Nevada Revised Statutes 355.170 (NRS). The NRS authorizes the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government pooled investment fund; negotiable 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. Diversification of the District's investments is guided by the Uniform Prudent Investors Act.

Custodial Credit Risk – The District Investment Policy requires FDIC coverage or collateralization on deposit-type securities. The District's cash accounts on deposit with financial institutions were covered by federal depository insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Concentration Credit Risk – The District Investment Policy calls for diversification without setting maximum allocations. The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. All of these agencies have been rated Aaa by Moody's. The District's GSE holdings are approximately 29% of total investments. Individual CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

3. RESTRICTED ASSETS

The State of Nevada requires a deposit for sales tax collection and electronic filing of \$6,075, for a retail location in non-District owned premises.

On September 13, 2017 the District's Board of Trustees approved a settlement agreement relative to ongoing litigation with a member of the public. Under this agreement, damages awarded by the Washoe County District Court are held in a segregated account in the District's name until the Nevada Supreme Court Appeal is completed. The amount of the deposit was \$241,646 and now stands at \$242,584.

The assets of the EPA State Revolving Fund (SRF) Reserve may be used to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is in the account at the District's discretion. The EPA SRF Reserve is in the LGIP Account totaling \$224,761. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used to satisfy performance obligations on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$211,778, interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$222,668.

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Tahoe Foundation	100
Litigation Damage Deposit held by the District	242,584
LGIP Restricted Deposits (SRF & TRPA)	<u>447,429</u>
Total Temporarily Restricted Deposits	<u>\$ 696,188</u>

4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2019:	Balance			Balance June 30, 2019
	July 1, 2018	Increases	Decreases	
Governmental Activities:				
Capital assets, not being depreciated				
Land - General Government	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904
Land - Community Services	11,996,999	-	-	11,996,999
Land - Beach	2,304,850	-	-	2,304,850
Subtotal Land	16,971,753	-	-	16,971,753
Construction in Progress - General Government	19,591	121,257	(122,848)	18,000
Construction in Progress - Community Services	2,504,320	6,043,500	(6,769,629)	1,778,191
Construction in Progress - Beach	231,418	284,299	(154,805)	360,912
Subtotal Construction in Progress	2,755,329	6,449,056	(7,047,282)	2,157,103
Total capital assets, not being depreciated	19,727,082	6,449,056	(7,047,282)	19,128,856
Capital assets, being depreciated				
Buildings and Structures - General Government	846,899	66,563	-	913,462
Buildings and Structures - Community Services	29,780,305	442,324	(205,308)	30,017,321
Buildings and Structures - Beach	2,687,860	11,700	-	2,699,560
Venue Improvements - Community Services	29,104,086	5,695,259	(121,165)	34,678,180
Venue Improvements - Beach	2,173,838	84,508	-	2,258,346
Equipment and Vehicles - General Government	1,591,187	56,285	-	1,647,472
Equipment and Vehicles - Community Services	11,613,546	632,046	(302,894)	11,942,698
Equipment and Vehicles - Beach	510,786	58,597	-	569,383
Equipment and Vehicles - Internal Services	263,912	-	(10,043)	253,869
Total capital assets, being depreciated	78,572,419	7,047,282	(639,410)	84,980,291
Less accumulated depreciation for:				
Buildings and Structures - General Government	(791,701)	(16,325)	-	(808,026)
Buildings and Structures - Community Services	(13,829,130)	(911,330)	205,309	(14,535,151)
Buildings and Structures - Beach	(1,506,576)	(94,103)	-	(1,600,679)
Venue Improvements - Community Services	(18,921,568)	(967,240)	121,165	(19,767,643)
Venue Improvements - Beach	(1,352,314)	(98,938)	-	(1,451,252)
Equipment and Vehicles - General Government	(975,967)	(244,763)	-	(1,220,730)
Equipment and Vehicles - Community Services	(5,773,117)	(1,141,955)	301,902	(6,613,170)
Equipment and Vehicles - Beach	(253,649)	(42,111)	-	(295,760)
Equipment and Vehicles - Internal Services	(174,443)	(12,561)	10,043	(176,961)
Total accumulated depreciation	(43,578,465)	(3,529,326)	638,419	(46,469,372)
Total capital assets being depreciated, net	34,993,954	3,517,956	(991)	38,510,919
Governmental Activities Capital Assets, net	\$ 54,721,036	\$ 9,967,012	\$ (7,048,273)	\$ 57,639,775

Continued

Capital Asset activity for the year ended June 30, 2019:	Balance			Balance June 30, 2019
	July 1, 2018	Increases	Decreases	
Business-Type Activities				
Utility Capital assets not being depreciated				
Land	\$ 6,715,544	\$ -	\$ -	\$ 6,715,544
Construction in Progress	4,151,041	2,816,092	(5,549,081)	1,418,052
Total utility capital assets, not being depreciated	10,866,585	2,816,092	(5,549,081)	8,133,596
Utility Capital assets, being depreciated				
Buildings and structures	15,166,010	337,853	-	15,503,863
Service infrastructure	108,626,081	5,181,776	-	113,807,857
Equipment and vehicles	3,721,984	29,452	(55,223)	3,696,213
Total utility capital assets at historical cost	127,514,075	5,549,081	(55,223)	133,007,933
Less accumulated depreciation for:				
Buildings and structures	(7,311,064)	(377,074)	-	(7,688,138)
Service infrastructure	(59,070,007)	(2,567,148)	-	(61,637,155)
Equipment and vehicles	(2,503,588)	(209,587)	55,223	(2,657,952)
Total accumulated depreciation	(68,884,659)	(3,153,809)	55,223	(71,983,245)
Total utility capital assets being depreciated, net	58,629,416	2,395,272	-	61,024,688
Business-Type Activities Capital Assets, net	\$ 69,496,001	\$ 5,211,364	\$ (5,549,081)	\$ 69,158,284

The District has a number of Construction in Progress projects open as of June 30, 2019. Community Services includes \$223,333 for the Diamond Peak Master Plan and \$261,502 for the Community Services Master Plan. Beach includes \$210,632 for the Incline Beach Facility Study. The Utility Fund includes \$662,507 for the design phase of the Effluent Export Line that project will be ongoing through at least 2023. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2019 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 261,088
Recreation	3,020,525
Beach	235,152
Internal Services	12,561
Total Depreciation Expense	<u>\$ 3,529,326</u>
Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 3,153,809</u>

The District holds a substantial number of land parcels for recreation and public purposes. Approximately 80 parcels were acquired at no cost through a Washoe County tax forfeiture transfer. These lands are not held for the purpose of income or profit, and therefore are not considered an investment.

5. ACCRUED PERSONNEL COSTS

The General Fund processes and issues payments for all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made, the individual funds provide their share through the pooled cash. This process provides the General Fund with the necessary available financial resources to meet the District wide obligations. Generally, no regular payroll or personnel accruals are recorded to the individual funds. Accruals for special payments, Health Reimbursement Accounts, Sick Leave at Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any banks accounts specific for payment of benefits except for those accumulated for Workers Compensation claims under the Internal Service Fund.

As a regular course of operations, the payroll including June 30 was paid July 19. The employee benefits earned through June 30 are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with an excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post employment health related costs. There are 11 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

The District offers health reimbursement accounts (HRA) in exchange for the insured accepting a higher deductible or co-insurance. The Plan is administered by the health insurance carrier. The District also has a third party administered flexible spending account (FSA). The District maintains bank accounts exclusively for reimbursements for HRA and FSA transactions.

The District provides Workers Compensation through a risk pooling arrangement funded with quarterly assessments. The fourth quarter is paid in arrears after a payroll verification conducted by the Pool.

Accrued Personnel Costs as of June 30, 2019:

Current Payroll Liabilities:	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Accrued Payroll	\$ 660,717	\$ -	\$ 660,717
Taxes Withheld	49,935	-	49,935
Accrued Benefits	36,889	-	36,889
Deferred Comp	13,240	-	13,240
Retirement Plan	42,510	-	42,510
Health Reimbursement Accounts	131,190	-	131,190
Sick Leave Retirement Benefit	138,096	156,886	294,982
Workers Comp unpaid assessments	179,382	-	179,382
Accrued Vacation	<u>405,815</u>	<u>187,640</u>	<u>593,455</u>
Total Government-wide	<u>\$1,657,774</u>	<u>\$ 344,526</u>	<u>\$2,002,300</u>

The Government-wide Accrued Personnel Costs could be liquidated within one year and has been classified as current. The following accounts are based on ongoing activity as opposed to a point in time accrual:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Provisions</u> <u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2019</u>
Select Benefit Liabilities				
Health Reimbursement Accts.	\$ 163,683	\$ 51,748	\$ 84,241	\$ 131,190
Sick Leave Retirement Benefit	287,340	37,900	30,258	294,982
Work Comp unpaid losses	57,575	-	57,575	-
Accrued Vacation	546,961	644,985	598,491	593,455

6. UNEARNED REVENUE

The District receives a number of payments that will be recognized as revenue or a liquidated liability based upon a future transaction when the service is provided. These include:

	<u>General</u>	<u>Community Services Special Rev.</u>	<u>Beach Special Rev.</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 45	\$ 534,358	\$119,323	\$148,929	\$ 802,655
Unexpired season passes	-	1,141,971	-	-	1,141,971
External Gift Cards	-	138,315	-	-	138,315
Internal Gift Cards	-	73,259	-	-	73,259
Total	<u>\$ 45</u>	<u>\$1,887,903</u>	<u>\$119,323</u>	<u>\$148,929</u>	<u>\$2,156,200</u>

7. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash and therefore there are no open balances as of June 30, 2019.

Transfers for Capital Projects and Debt Service are (1) movement of revenues from the fund that by statute or budget authority collects the revenue to provide resources for specified functions and transaction types to the fund that will expend them.

Transfers from Internal Services move unique resources to finance various operations in accordance with budgetary authorizations in relation to discontinuing self-insurance. Transfers from the General Fund were to return self-insurance resources to the operating funds after first transferred to the General Fund in the prior year, as required by Nevada Revised Statute. The same Statute does not allow the General Fund to redistribute the resources in the same fiscal year as received. Of the \$474,356 received in the current fiscal year, \$300,000 will be similarly redistributed in the subsequent fiscal year.

Gross Transfers reported on the financial statements as of June 30, 2019 are as follows:

Fund Transfer Out:	Fund Transfer In:								Total Out
	General Fund	Community Services Special Revenue	Community Services Capital Projects	Community Services Debt Service	Beach Special Revenue	Beach Capital Projects	Beach Debt Service	Utility Fund	
Internal Services Fund	\$ 474,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474,356
General Fund	-	645,000	-	-	35,000	-	-	120,000	\$ 800,000
Community Services Special Revenue	-	-	3,678,473	329,848	-	-	-	-	\$4,008,321
Beach Special Revenue	-	-	-	-	-	198,558	1,635	-	\$ 200,193
Total In	<u>\$ 474,356</u>	<u>\$ 645,000</u>	<u>\$3,678,473</u>	<u>\$ 329,848</u>	<u>\$ 35,000</u>	<u>\$ 198,558</u>	<u>\$ 1,635</u>	<u>\$ 120,000</u>	<u>\$5,482,870</u>

8. LONG-TERM DEBT

All of the District's Long Term Bonds are collateralized by a pledge of revenues derived and to be derived from the operation of either the Utility, Community Services or Beach venues, after deduction there from of the amount necessary to pay all operating and maintenance charges as required by applicable bond agreements. The District is also required to maintain rates sufficient to pay all maintenance, depreciation, replacement, betterment, and interest charges.

Outstanding Long-Term Debt as of June 30, 2019:

<u>Issue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Current Portion</u>
Governmental Activities:						
General Obligation Revenue Bonds Recreation						
Recreation Facilities and Recreation						
Refunding 2012	07/18/12	09/01/22	2.25%	3,475,000	\$1,498,000	\$361,000
Total Recreation Revenue Supported Debt					\$1,498,000	\$361,000
Business Type Activities Direct Borrowings and Direct Placements:						
Utility						
State of Nevada:						
Sewer C32-0204	10/28/02	01/01/23	3.144%	\$1,720,380	\$ 479,758	\$ 114,388
Water IVGID-1	09/09/04	07/01/25	3.082%	1,687,282	664,807	93,876
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	1,314,494	172,886
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	2,149,867	142,838
Total Utility Revenue Supported Debt					\$4,608,926	\$ 523,988
Total Debt – All Activities					\$6,106,926	\$884,988

Long-Term Debt changes for the year:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
By Activity Type:					
Governmental:					
2012 Recreation	\$1,848,000	\$ -	\$350,000	\$1,498,000	\$361,000
Business Type Direct Borrowings and Direct Placements:					
Sewer C32-0204	590,633	-	110,875	479,758	114,388
Water IVGID-1	755,855	-	91,048	664,807	93,876
Sewer CS32-0404	1,482,764	-	168,270	1,314,494	172,886
Water DW-1201	2,289,352	-	139,485	2,149,867	142,838
Business Type Total	5,118,604	-	509,678	4,608,926	523,988
Total Debt	\$6,966,604	\$ -	\$859,678	\$6,106,926	\$884,988
By Bond Type:					
General Obligation Revenue	\$5,620,116	\$ -	\$657,755	\$4,962,361	\$676,724
	1,346,488	-	201,923	1,144,565	208,264
Total Debt	6,966,604	-	859,678	6,106,926	\$884,988
Bond discounts	(6,983)	-	(1,666)	(5,317)	
Long-term Debt, net	\$6,959,621	\$ -	\$858,012	\$6,101,609	

Future Debt Service Requirements as of June 30, 2019:

Fiscal Year	Debt Supported by		Debt Supported by	
	<u>Utility Revenue</u>		<u>Recreation Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Ending June 30</u>				
2020	\$ 523,988	\$ 119,145	\$ 361,000	\$ 29,643
2021	538,707	104,428	368,000	21,442
2022	553,841	89,291	378,000	13,050
2023	569,405	73,728	391,000	4,399
2024	455,827	58,730	-	-
2025 to 2029	1,410,553	141,852	-	-
2030 to 2032	<u>556,605</u>	<u>23,510</u>	<u>-</u>	<u>-</u>
Total	<u>\$4,608,926</u>	<u>\$ 610,686</u>	<u>\$ 1,498,000</u>	<u>\$ 68,534</u>

At June 30, 2019, principal and interest to maturity paid from pledged future Utility Revenues totals \$5,219,612 and \$1,566,534 paid from pledged Recreation Revenues. For the year ended June 30, 2019, the net pledged revenue was \$2,359,045 for Utility Debt and \$3,953,742 for Recreation Debt.

9. DEFERRED INFLOW OF RESOURCES

The District is holding a deposit of \$242,584 for a damage award as part of ongoing litigation relating to matters asserted by a member of the public. The litigation is under appeal with the Nevada Supreme Court. If the District prevails, the award will become revenue to the General Fund. If the member of the public prevails, the deposit will be refunded under terms of a settlement agreement approved September 13, 2017.

The District has been awarded FEMA/Nevada Department of Emergency Management grants for 2017 damage to the Diamond Peak Maintenance Building for \$38,643 and a portion of the culvert for \$331,019. Review of the final costs and determination of payment is ongoing. They will settle after August 31, 2019. These amounts are deferred at the fund level.

10. CAPITAL GRANTS

The District was awarded FEMA/Nevada Department of Emergency Management Grants for 2017 damages to facilities and infrastructure. Final review and payment is ongoing.

Community Services was awarded a capital grant for \$225,000 for the Pump Track based on costs incurred, and received \$153,778 in 2018. Another \$31,691 was billed for costs incurred by June 30, 2018. This was received later in the next fiscal year and has been recognized at the Fund Level in 2019. Community Services received a combination State of NV Agency Grants for costs of a creek restoration project. The project will occur in fiscal year 2019-2020. Community Services was awarded a capital grant of \$1,409,201 for costs incurred to renovated portions of the Incline Park ballfields. Contracts were awarded for \$1,298,341, but the work did not commence until July 8.

11. DEFERRED COMPENSATION PLAN

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all District employees, permit them to defer a portion of their earnings until future years. The deferred compensation benefit is not collectible by employees until termination, retirement, death, or unforeseeable emergency.

12. DISTRICT RETIREMENT BENEFIT PLANS

The District has two retirement plans covering substantially all of its full-time year round employees. Those not covered under the Pension Trust Fund for Operating Engineers are covered by the District's Money Purchase Pension Plan (Section 401(a)). The District also sponsors a Section 457 Deferred Compensation Plan. No trust is used in relation to these plans, account balances are in the name of the individual employee.

The District's Money Purchase Pension (Section 401(a) Plan is a defined contribution plan). The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. The District's provides a non-elective contribution of 12.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions for, and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union. The plan provides retirement and medical benefits to eligible participants based on a formula of years of service and reaching a qualifying age. It is available to approximately 45 positions in the District, covered by the collective bargaining agreements, with only four electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union collective bargaining agreement is limited to making monthly contributions based on union employees' pay for hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District contributions to the plan equal 100% of the District's liability under the bargaining agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, California 94502 or by calling (800) 251-5014.

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 4%. Both employee and District contributions are fully vested 100% as made.

The District's total contributions equal to required contributions for employees covered by the above plans are as follows:

	401(a) Money Purchase	Operating Engineers	Employer Section 457	Employee Section 457
<u>FYE June 30</u>				
2019	\$985,920	\$ 39,200	\$301,368	\$527,739

13. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2019 consists of the following:

Type	Carrier/Provider	Amount
Property Liability on buildings & contents	NV Public Agency Pool	\$ 300,000,000
Earthquake & Flood	NV Public Agency Pool	150,000,000
Boiler & Machinery	NV Public Agency Pool	100,000,000
General Liability	NV Public Agency Pool	10,000,000
Cyber Security Event	NV Public Agency Pool	2,000,000
Money & Securities	NV Public Agency Pool	500,000
Site Pollution Incident	NV Public Agency Pool	2,000,000
Ski Resort Gen. Liability	Nova Casualty Company	1,000,000
Ski Resort Excess Liability	Nova Casualty Company	6,000,000
Workers Compensation	NV Public Agency Comp. Trust	2,000,000

The District has elected to participate in the Nevada Public Agency Insurance Pool. The risk-sharing Pool secures insurance coverage for all its members. The Pool agreement provides coverage for the equivalent of errors and omissions and directors and officers acts. The Pool does not offer general or excess liability coverage for the Diamond Peak Ski Resort. Therefore, separate coverage is purchased.

A portion of each member's premium contributions to the Pool goes into the Loss Fund and the remainder pays for the excess insurance premiums and administrative expenses. The amount of the Loss Fund contribution is determined by the underwriters based on each member's average annual losses over the prior five years. This amount may vary each year.

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by secondary markets based on arrangements made with the Pool, including a Pool owned captive.

There were no District settlements in excess of insurance coverage in any of the three prior fiscal years.

Ski Liability Insurance is not covered by the Nevada Public Agency Insurance Pool. A separate insurance program, less the District's \$10,000 deductible, provides coverage.

Workers Compensation Coverage

From 1992 to July 1, 2013 the District was self-insured for Worker's Compensation coverage. Effective July 1, 2018 the District executed a Loss Portfolio Transfer and Assumption Agreement with Public Agency Compensation Trust, which removes all liability in exchange for a one-time assessment. As of July 1, 2013 the District utilizes the Nevada Public Agency Compensation Trust to provide work comp coverage for all employees.

For 2018-2019 Worker Compensation (an element of the Internal Service Fund) accounts for and finances its risks of loss for Workers Compensation benefits. Through the Internal Service Fund, the District collects charges based on compensation, and then pays pooling assessments to the Nevada Public Agency Compensation Trust (NVPACT). All funds of the District participate in the program and made payments

based on actuarial estimates provided by NVPACT for the amounts needed to pay claims as member of the risk sharing pool. For fiscal year ended June 30, 2019, the Internal Services Fund billed other District funds a total of \$504,519 and made member assessment payments for coverage of \$458,321. Member assessment payments are audited on the calendar year and paid the following July. Since the District will no longer be liable for costs for claims incurred prior to July 1, 2013, the use of the internal services fund ceased June 30, 2019. All future coverage is a purchased service.

Reconciliation of Workers Comp claims liability as of June 30, 2019, for claims incurred prior to July 1, 2013.

	Beginning Claims <u>Liability</u>	Claims <u>Made</u>	Claims <u>Payments</u>	General <u>Provision</u>	Ending Claims <u>Liability</u>
June 30, 2019	\$ 57,300	\$ -	\$ 57,300	\$ -	\$ -
June 30, 2018	\$156,000	\$ -	\$ -	\$ (98,700)	\$ 57,300
June 30, 2017	\$156,000	\$ -	\$ -	\$ -	\$156,000

14. CONTINGENCIES

The District participates in various federal programs, which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date.

Washoe County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. Similar cases have resulted in the County charging a portion of the rebates against the District's tax settlements in 2012 through 2014. The impact of the current claims, on the District's financial condition, cannot be reasonably estimated.

15. ASSIGNED FUND BALANCE

As of July 1, 2015, the Board of Trustees established Special Revenue, Capital Project and Debt Service funds for District Community Services and Beach activities. Based on governmental accounting standards the fund balance for the Special Revenue funds are assigned for the purpose of recreation privileges utilizing the facility fee. The fund balance in the Capital Projects and Debt Service Funds are assigned since they represent amounts designated through the budget process for approved but uncompleted expenditures under the direction of the District General Manager.

16. LEASE OBLIGATIONS

Revenue:

Miscellaneous revenue includes rent received for cell towers on District property. Under an agreement with American Tower \$20,082 was paid for a tower at the Mountain Golf Course. Its term is April 2007 to 2037 with extensions every five years, cancelable by either party. Rent increases 3% per year. Under an agreement with AT&T \$19,001 was paid for a tower at the Mountain Golf Course. Its term is October 2010 to 2035 with automatic extensions every five years, cancelable by the tenant. Rent increases 3% per year. Under an agreement with AT&T \$61,985 was paid for a tower at Diamond Peak Ski Resort. Its term is July 2013 to 2038 with extensions every five years, cancelable by the tenant. Rent increases 3.5% per year.

Expenses:

The Utility Fund paid \$4,476 for a leased copier under an agreement expiring December 2020.

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
Community Services Fund:			
Championship Golf	\$ 3,952,989	\$ 25,000	\$ -
Mountain Golf Facilities	690,668	56,000	-
	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>
Total	<u>\$ 17,648,014</u>	<u>\$289,000</u>	<u>\$(757,000)</u>
Beach Fund	<u>\$ 1,492,687</u>	<u>\$590,000</u>	<u>\$(122,000)</u>
	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.

Capital Improvement Project Budget Carryover:

The District budgets for capital improvement projects one year at a time for spending authority. The actual execution of construction or acquisition can span one or more fiscal years. The District identifies carryover and unspent budget authority for those projects. The amounts for governmental fund types are re-budgeted for the subsequent fiscal year. The unused Utility Fund resources become part of Unrestricted Net Position, and are budgeted under cash flow on the State of NV budget forms. Amounts carried over at year end are:

General Fund	\$ 201,000
Utility Fund (Non-effluent projects)	1,498,400
Effluent Pipeline Project	9,656,890
Community Services Fund	1,701,702
Beach Fund	108,050

Budgeting for the Fiscal Year Ending June 30, 2020:

The District’s budgeting for the fiscal year ending June 30, 2020 anticipates a reduction in Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$788,870 including \$561,800 to Community Services for the Mountain Golf Course capital project and \$145,000 for contingency, and in Community Services reduction for \$4,037,091 including the \$1,464,000 Mountain Course project, and \$1,285,000 for the Tennis Center Renovation. The Beach Fund has a reduction of \$625,729 resulting from the \$800,000 Burnt Cedar Pool Improvement.

The District has committed to these contractual arrangements for capital improvement projects:

	<u>Contract Award</u>	<u>Completed at June 30, 2019</u>	<u>Remaining Commitment</u>
Utility Fund:			
Effluent Pipeline Project – State Route 28 Line Repairs			
State of Nevada	\$1,152,600	\$1,094,956	\$ 57,644
Replacement of Vactor Truck Awarded for assembly with fall 2019 delivery			
Atlantic Machinery, Inc.	\$ 416,564	\$ -	\$ 416,564
Community Services Fund:			
Incline Park Facility Renovation Awarded for May 2019 start, actual started July			
Rapid Construction	\$1,298,341	\$ -	\$1,298,431
Incline Creek Restoration Awarded for September 2019 start date			
Aspen Developers Corp.	\$ 273,000	\$ -	\$ 273,000
Cardno, Inc.	37,000	-	37,000

20. RESTRICTED DEPOSIT HELD IN LAWSUIT

The District has been engaged in a lawsuit with an individual over many years. A District Court decision made an award to the District for the recovery of fees. Both the Court decision and the fess awarded are under an appeal. In order to reduce possible longer-term exposure to the individual, the District received \$241,646 on September 14, 2017. These refunds are in a separate money market account and classified as a Deferred Inflow until all appeals under the lawsuit are resolved. The timeframe for a decision is unknown.

21. STATE OF NEVADA TAX ABATEMENTS AFFECTING DISTRICT REVENUES

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced include the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District’s estimated share of abatements for this fiscal year is \$21,199.

**22. PRIOR PERIOD ADJUSTMENT AND SUBSEQUENT TRANSACTIONS
AFFECTING THE FISCAL YEARS JUNE 30, 2018, 2019 AND 2020**

As of July 1, 2019 the District was relieved of any liability for its past Self-Insured Workers Compensation Program. For the last several years the District had sought to find a way to obtain tail coverage through traditional markets. Eventually it secured a Loss Portfolio Transfer and Assumption Agreement from the Nevada Public Agency Compensation Trust. Since 2013 the District carried an estimated claims liability based on actuarial reports. The Liability exceeded the Self Insured Retention held by the Workers Compensation Fund. The District reduced the Fund, while still working to reduce the liability by making transfers in June 2018 for \$800,000 and in September 2018 for \$300,000 to reduce the amounts held and return them to the operating funds that had paid assessments to the Fund. In May 2019 the District's Trustees made a finding that the Fund could be closed. Under NRS 354.6215 funds accumulated for Self-Insurance must be transferred to the General Fund once it is no longer needed. Part of that process is to notify the State of this action. Upon further review by the NV Department of Taxation and considering NRS 354.6215, the District took action September 25, 2019 to clarify the steps necessary to have the same end results for the original transfers. These steps require the first transfer in one fiscal year to be from the Workers Compensation Fund to the General Fund and then in the subsequent year the General Fund can transfer to the operating funds.

A Prior Period Adjustment was made to reflect the \$800,000 transfer from the Workers Compensation Fund to the General Fund and reduces that same total for the operating funds for their opening Net Position and Fund Balance as of June 30, 2018. For the fiscal year ending June 30, 2019 the \$800,000 was recorded as transferred to the operating funds, and the \$300,000 transfer is to the General Fund. For the fiscal year ending June 30, 2020 that \$300,000 has been transferred to the operating funds. The final transfer of \$174,356 made from the Workers Compensation Fund to the General Fund and will not be redistributed to allow these resources to be retained to make advance payments on the District-wide worker compensation coverage through its risk pooling.

Prior Period Adjustment as of June 30, 2018

District-wide	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>District-wide</u>	
Net Position as previously Reported	\$71,073,766	\$74,778,034	\$145,851,800	
Worker Compensation Transfer	<u>120,000</u>	<u>(120,000)</u>	<u>-</u>	
Net Position at June 30, 2018	<u>\$71,193,766</u>	<u>\$74,658,034</u>	<u>\$145,851,800</u>	
 Fund Level	<u>General Fund</u>	<u>Utility Fund</u>	<u>Community Services Spec. Rev.</u>	<u>Beach Spec. Rev.</u>
Fund Balance/Net Position				
as previously Reported	\$2,522,786	\$74,778,034	\$10,645,469	\$1,413,091
Worker Compensation Transfer	<u>800,000</u>	<u>(120,000)</u>	<u>(645,000)</u>	<u>(35,000)</u>
Fund Balance/Net Position				
at June 30, 2018	<u>\$3,322,786</u>	<u>\$74,658,034</u>	<u>\$10,000,469</u>	<u>\$1,378,091</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 SCHEDULE OF EMPLOYER REQUIRED CONTRIBUTIONS
 TO DEFINED CONTRIBUTION MULTI-EMPLOYER PLANS
 FOR THE TEN MOST RECENT FISCAL YEARS**

		Operating Engineers		
For the year ending June 30:	Number of Participants	Covered Payroll	Required Contributions	
2019	4	\$ 318,699	\$ 39,200	
2018	4	308,114	37,898	
2017	4	315,764	38,839	
2016	5	346,008	42,559	
2015	4	275,846	33,929	
2014	5	346,797	42,656	
2013	5	377,293	46,407	
2012	7	395,512	48,648	
2011	7	463,862	57,055	
2010	8	477,382	58,718	

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

SUPPLEMENTARY
INFORMATION

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,611,738	\$ 1,611,738	\$ 1,615,540	\$ 3,802
Personal Property Tax	12,000	12,000	17,871	5,871
Intergovernmental:				
Consolidated Tax	1,423,595	1,423,595	1,440,607	17,012
Local Government Tax Act	238,000	238,000	249,615	11,615
Investment income	138,600	138,600	327,815	189,215
Miscellaneous	3,600	3,600	2,002	(1,598)
Central Services Revenue	1,169,400	1,169,400	1,169,400	-
Total revenues	<u>4,596,933</u>	<u>4,596,933</u>	<u>4,822,850</u>	<u>225,917</u>
EXPENDITURES				
General Government - All Functions:				
Function Summary	<u>4,539,239</u>	<u>4,539,239</u>	<u>4,054,406</u>	<u>484,833</u>
Total expenditures	<u>4,539,239</u>	<u>4,539,239</u>	<u>4,054,406</u>	<u>484,833</u>
Excess (deficiency) of revenues over expenditures	<u>57,694</u>	<u>57,694</u>	<u>768,444</u>	<u>710,750</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(125,000)	(125,000)	-	125,000
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(325,644)</u>	<u>(325,644)</u>
Net changes in fund balance	<u>(67,306)</u>	<u>(67,306)</u>	<u>442,800</u>	<u>510,106</u>
Fund balance, July 1, as previously reported	2,432,349	2,432,349	2,522,786	90,437
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>
Fund Balance, July 1, as adjusted	<u>2,432,349</u>	<u>2,432,349</u>	<u>3,322,786</u>	<u>890,437</u>
Fund balance, June 30	<u>\$ 2,365,043</u>	<u>\$ 2,365,043</u>	<u>\$ 3,765,586</u>	<u>\$ 1,400,543</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
General Government:				
General Administration				
Salaries and Wages	\$ 28,215	\$ 28,215	\$ 40,757	\$ (12,542)
Employee Benefits	17,839	17,839	17,980	(141)
Services and Supplies	408,064	408,064	524,466	(116,402)
Capital Outlay	435,950	435,950	64,972	370,978
Subtotal General Administration	<u>890,068</u>	<u>890,068</u>	<u>648,175</u>	<u>241,893</u>
General Manager				
Salaries and Wages	247,506	247,506	244,421	3,085
Employee Benefits	114,563	114,563	105,047	9,516
Services and Supplies	56,740	56,740	69,361	(12,621)
Subtotal General Manager	<u>418,809</u>	<u>418,809</u>	<u>418,829</u>	<u>(20)</u>
Trustees				
Salaries and Wages	100,984	100,984	102,992	(2,008)
Employee Benefits	30,346	30,346	27,822	2,524
Services and Supplies	74,600	74,600	45,068	29,532
Subtotal Trustees	<u>205,930</u>	<u>205,930</u>	<u>175,882</u>	<u>30,048</u>
Accounting				
Salaries and Wages	566,805	566,805	572,025	(5,220)
Employee Benefits	268,079	268,079	252,081	15,998
Services and Supplies	68,390	68,390	60,134	8,256
Subtotal Accounting	<u>903,274</u>	<u>903,274</u>	<u>884,240</u>	<u>19,034</u>
Information Services				
Salaries and Wages	468,487	468,487	426,004	42,483
Employee Benefits	220,452	220,452	191,122	29,330
Services and Supplies	323,583	323,583	211,242	112,341
Capital Outlay	-	-	56,285	(56,285)
Subtotal Information Services	<u>1,012,522</u>	<u>1,012,522</u>	<u>884,653</u>	<u>127,869</u>
Risk Management				
Salaries and Wages	80,435	80,435	81,841	(1,406)
Employee Benefits	44,539	44,539	40,039	4,500
Services and Supplies	21,910	21,910	15,139	6,771
Subtotal Risk Management	<u>146,884</u>	<u>146,884</u>	<u>137,019</u>	<u>9,865</u>
Human Resources				
Salaries and Wages	416,216	416,216	431,911	(15,695)
Employee Benefits	236,294	236,294	203,821	32,473
Services and Supplies	76,573	76,573	46,662	29,911
Subtotal Human Resources	<u>729,083</u>	<u>729,083</u>	<u>682,394</u>	<u>46,689</u>
Health and Wellness				
Salaries and Wages	14,058	14,058	18,446	(4,388)
Employee Benefits	5,557	5,557	5,875	(318)
Services and Supplies	21,475	21,475	4,495	16,980
Subtotal Health and Wellness	<u>41,090</u>	<u>41,090</u>	<u>28,816</u>	<u>12,274</u>
Community & Employee Relations				
Salaries and Wages	81,313	81,313	95,076	(13,763)
Employee Benefits	32,236	32,236	43,559	(11,323)
Services and Supplies	78,030	78,030	55,763	22,267
Subtotal Comm. Relations	<u>191,579</u>	<u>191,579</u>	<u>194,398</u>	<u>(2,819)</u>
Function Subtotal - Form 10	<u>\$ 4,539,239</u>	<u>\$ 4,539,239</u>	<u>\$ 4,054,406</u>	<u>\$ 484,833</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Championship Golf	\$ 3,992,444	\$ 3,992,444	\$ 3,902,689	\$ (89,755)
Mountain Golf	690,926	690,926	740,968	50,042
Facilities	406,900	406,900	392,246	(14,654)
Ski	8,915,000	11,715,000	11,778,871	63,871
Community Programming	1,305,414	1,305,414	1,364,044	58,630
Parks	67,740	67,740	46,580	(21,160)
Tennis	159,700	159,700	153,435	(6,265)
Recreation Administration	(510,600)	(510,600)	(730,819)	(220,219)
Facility Fee:				
Championship Golf	804,580	804,580	805,884	1,304
Mountain Golf	517,230	517,230	517,661	431
Facilities	467,970	467,970	468,584	614
Ski	238,090	238,090	238,403	313
Community Programming	1,305,390	1,305,390	1,307,104	1,714
Parks	968,780	968,780	970,052	1,272
Tennis	164,200	164,200	164,416	216
Recreation Administration	1,321,810	1,321,810	1,350,671	28,861
Operating Grants	17,000	17,000	17,000	-
Interfund Services	77,920	77,920	86,060	8,140
Intergovernmental Services	21,000	21,000	14,570	(6,430)
Investment Earnings	30,000	30,000	199,322	169,322
Sale of Assets	-	-	34,567	34,567
Miscellaneous	106,480	106,480	112,777	6,297
Total revenues	<u>21,067,974</u>	<u>23,867,974</u>	<u>23,935,085</u>	<u>67,111</u>
EXPENDITURES				
Culture and Recreation - All Functions:				
Function Summary	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Total expenditures	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Excess (deficiency) of revenues over expenditures	<u>4,137,760</u>	<u>6,507,760</u>	<u>6,646,505</u>	<u>138,745</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(500,000)	(500,000)	-	500,000
Insurance Proceeds	-	-	50,300	50,300
Operating Transfers In - Internal Services	241,875	241,875	645,000	403,125
Operating Transfers Out - Capital Projects	(6,070,675)	(6,070,675)	(3,678,473)	2,392,202
Operating Transfers Out - Debt Service	(410,500)	(410,500)	(329,848)	80,652
Net changes in fund balance	<u>(2,601,540)</u>	<u>(231,540)</u>	<u>3,333,484</u>	<u>3,565,024</u>
Fund balance, July 1, as previously reported	11,515,351	11,515,351	10,645,469	(869,882)
Prior Period Adjustment	-	-	(645,000)	(645,000)
Fund Balance, July 1, as adjusted	<u>11,515,351</u>	<u>11,515,351</u>	<u>10,000,469</u>	<u>(1,514,882)</u>
Fund balance, June 30	<u>\$ 8,913,811</u>	<u>\$ 11,283,811</u>	<u>\$ 13,333,953</u>	<u>\$ 2,050,142</u>

Note: The State Budget Form 4404LGF recognized the Total Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure by those Funds.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Community Services:				
Championship Golf				
Salaries and Wages	\$ 1,493,437	\$ 1,493,437	\$ 1,509,876	\$ (16,439)
Employee Benefits	451,909	451,909	383,157	68,752
Services and Supplies	2,226,413	2,226,413	2,392,390	(165,977)
Subtotal Championship Golf	<u>4,171,759</u>	<u>4,171,759</u>	<u>4,285,423</u>	<u>(113,664)</u>
Mountain Golf				
Salaries and Wages	382,111	382,111	340,012	42,099
Employee Benefits	115,490	115,490	93,523	21,967
Services and Supplies	522,352	522,352	526,907	(4,555)
Subtotal Mountain Golf	<u>1,019,953</u>	<u>1,019,953</u>	<u>960,442</u>	<u>59,511</u>
Facilities				
Salaries and Wages	85,968	85,968	76,190	9,778
Employee Benefits	43,156	43,156	37,739	5,417
Services and Supplies	418,078	418,078	368,598	49,480
Subtotal Facilities	<u>547,202</u>	<u>547,202</u>	<u>482,527</u>	<u>64,675</u>
Ski				
Salaries and Wages	2,867,877	3,042,877	3,072,710	(29,833)
Employee Benefits	978,691	978,691	925,074	53,617
Services and Supplies	3,507,146	3,762,146	3,833,164	(71,018)
Subtotal Ski	<u>7,353,714</u>	<u>7,783,714</u>	<u>7,830,948</u>	<u>(47,234)</u>
Community Programming				
Salaries and Wages	1,092,992	1,092,992	1,156,579	(63,587)
Employee Benefits	347,964	347,964	321,005	26,959
Services and Supplies	909,827	909,827	819,388	90,439
Subtotal Community Programming	<u>2,350,783</u>	<u>2,350,783</u>	<u>2,296,972</u>	<u>53,811</u>
Parks				
Salaries and Wages	328,315	328,315	337,927	(9,612)
Employee Benefits	80,461	80,461	75,544	4,917
Services and Supplies	439,357	439,357	401,968	37,389
Subtotal Parks	<u>848,133</u>	<u>848,133</u>	<u>815,439</u>	<u>32,694</u>
Tennis				
Salaries and Wages	136,102	136,102	136,149	(47)
Employee Benefits	27,535	27,535	26,172	1,363
Services and Supplies	100,033	100,033	91,223	8,810
Subtotal Tennis	<u>263,670</u>	<u>263,670</u>	<u>253,544</u>	<u>10,126</u>
Community Services Administration				
Salaries and Wages	122,353	122,353	153,065	(30,712)
Employee Benefits	43,256	43,256	43,445	(189)
Services and Supplies	209,391	209,391	166,775	42,616
Subtotal Recreation Administration	<u>375,000</u>	<u>375,000</u>	<u>363,285</u>	<u>11,715</u>
Function Subtotal	<u>\$ 16,930,214</u>	<u>\$ 17,360,214</u>	<u>\$ 17,288,580</u>	<u>\$ 71,634</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Culture and Recreation:				
Beach	\$ 1,338,500	\$ 1,338,500	\$ 1,492,687	\$ 154,187
Facility Fees	969,500	969,500	975,121	5,621
Investment Earnings	13,500	13,500	36,188	22,688
Total revenues	<u>2,321,500</u>	<u>2,321,500</u>	<u>2,503,996</u>	<u>182,496</u>
EXPENDITURES				
Beach:				
Salaries and Wages	833,105	833,105	847,293	(14,188)
Employee Benefits	209,334	209,334	190,452	18,882
Services and Supplies	880,537	880,537	868,771	11,766
Total expenditures	<u>1,922,976</u>	<u>1,922,976</u>	<u>1,906,516</u>	<u>16,460</u>
Excess (deficiency) of revenues over expenditures	398,524	398,524	597,480	198,956
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Operating Transfer In - Internal Services	13,125	13,125	35,000	21,875
Operating Transfers Out - Capital Projects	(306,328)	(306,328)	(198,558)	107,770
Operating Transfers Out - Debt Service	(7,756)	(7,756)	(1,635)	6,121
Net changes in fund balance	<u>47,565</u>	<u>47,565</u>	<u>432,287</u>	<u>384,722</u>
Fund balance, July 1, as previously reported	1,444,497	1,444,497	1,413,091	(31,406)
Prior Period Adjustment	-	-	(35,000)	(35,000)
Fund Balance, July 1, as adjusted	<u>1,444,497</u>	<u>1,444,497</u>	<u>1,378,091</u>	<u>(66,406)</u>
Fund balance, June 30	<u>\$ 1,492,062</u>	<u>\$ 1,492,062</u>	<u>\$ 1,810,378</u>	<u>\$ 318,316</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance	
	Original	Final			
REVENUES					
Sales of Assets and Intangibles	\$ -	\$ -	\$ 5,592	\$ 5,592	
Charitable - Capital Grants	1,694,071	1,694,071	31,958	(1,662,113)	
Total revenues	1,694,071	1,694,071	37,550	(1,656,521)	
EXPENDITURES					
COMMUNITY SERVICES RECREATION:					
Championship Golf	New projects	492,400	492,400	450,219	42,181
	Carryover projects	106,000	106,000	47,158	58,842
Mountain Golf	New projects	150,300	150,300	202,180	(51,880)
	Carryover projects	255,963	255,963	135,969	119,994
Facilities	New projects	43,000	43,000	21,406	21,594
	Carryover projects	6,500	6,500	-	6,500
Ski	New projects	4,287,000	4,287,000	3,801,573	485,427
	Master Plan	682,600	682,600	-	682,600
	Carryover projects	822,515	822,515	737,454	85,061
Community Programming	New projects	166,500	166,500	133,838	32,662
	Carryover projects	181,030	181,030	126,080	54,950
Parks	New projects	1,820,271	1,820,271	135,199	1,685,072
	Carryover projects	104,154	104,154	6,842	97,312
Tennis	New projects	98,000	98,000	54,180	43,820
	Carryover projects	50,000	50,000	50,000	-
Comm. Serv. Administration	New projects	27,500	27,500	4,180	23,320
	Carryover projects	138,000	138,000	137,222	778
Total expenditures		9,431,733	9,431,733	6,043,500	3,388,233
Excess (deficiency) of revenues over expenditures		(7,737,662)	(7,737,662)	(6,005,950)	1,731,712
OTHER FINANCING SOURCES					
Operating Transfers In - Facility Fees		3,612,400	3,612,400	2,508,528	(1,103,872)
Operating Transfers In - CIP		2,458,275	2,458,275	1,169,945	(1,288,330)
Total other financing sources		6,070,675	6,070,675	3,678,473	(2,392,202)
Net changes in fund balance		(1,666,987)	(1,666,987)	(2,327,477)	(660,490)
Fund Balance, July 1		1,666,987	1,666,987	2,327,477	660,490
Fund balance, June 30		\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019

		Budgeted Amounts		Actual	Variance
		Original	Final		
EXPENDITURES					
Beach	New projects	\$ 372,900	\$ 372,900	\$ 283,698	\$ 89,202
	Carryover projects	30,000	30,000	600	29,400
	Total expenditures	402,900	402,900	284,298	118,602
Excess (deficiency) of revenues over expenditures		(402,900)	(402,900)	(284,298)	118,602
OTHER FINANCING SOURCES					
	Operating Transfers In - Facility Fee	302,484	302,484	198,558	(103,926)
	Operating Transfers In - Carryover CIP	3,844	3,844	-	(3,844)
	Total other financing sources	306,328	306,328	198,558	(107,770)
Net changes in fund balance		(96,572)	(96,572)	(85,740)	10,832
Fund Balance, July 1		96,572	96,572	85,740	(10,832)
Fund balance, June 30		\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Community Services - GO Revenue Supported				
Principal	\$ 344,365	\$ 344,365	\$ 344,365	\$ -
Interest	37,036	37,036	37,036	-
Total expenditures	<u>381,401</u>	<u>381,401</u>	<u>381,401</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(381,401)</u>	<u>(381,401)</u>	<u>(381,401)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Operating Transfers In - Facility Fees	<u>410,500</u>	<u>410,500</u>	<u>329,848</u>	<u>(80,652)</u>
Total other financing sources	<u>410,500</u>	<u>410,500</u>	<u>329,848</u>	<u>(80,652)</u>
Net changes in fund balance	29,099	29,099	(51,553)	(80,652)
Fund Balance, July 1	<u>53,094</u>	<u>53,094</u>	<u>51,553</u>	<u>(1,541)</u>
Fund balance, June 30	<u>\$ 82,193</u>	<u>\$ 82,193</u>	<u>\$ -</u>	<u>\$ (82,193)</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Beach				
Principal	\$ 5,635	\$ 5,635	\$ 5,635	\$ -
Interest	606	606	606	-
Total expenditures	<u>6,241</u>	<u>6,241</u>	<u>6,241</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(6,241)	(6,241)	(6,241)	-
OTHER FINANCING SOURCES				
Operating Transfers In - Facility Fees	<u>7,756</u>	<u>7,756</u>	<u>1,635</u>	<u>(6,121)</u>
Net changes in fund balance	1,515	1,515	(4,606)	(6,121)
Fund Balance, July 1	<u>4,622</u>	<u>4,622</u>	<u>4,606</u>	<u>(16)</u>
Fund balance, June 30	<u>\$ 6,137</u>	<u>\$ 6,137</u>	<u>\$ -</u>	<u>\$ (6,137)</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
UTILITY FUND - BUDGETARY BASIS
WATER, SEWER AND TRASH ACTIVITIES
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Original & Final Budget	Actual	Variance
REVENUES			
Sales and service fees	\$ 11,871,080	\$ 12,552,028	\$ 680,948
Intergovernmental services	145,000	121,861	(23,139)
Interfund services	141,400	111,853	(29,547)
Operating Grants	-	1,440	1,440
Investment earnings	120,000	282,484	162,484
Total revenues	<u>12,277,480</u>	<u>13,069,666</u>	<u>792,186</u>
EXPENSES			
Wages	2,663,557	2,632,951	30,606
Benefits	1,304,284	1,288,413	15,871
Services and supplies	2,103,110	2,003,301	99,809
Utilities	920,133	862,768	57,365
Professional Fees	98,250	78,295	19,955
Central Services cost	308,600	308,600	-
Defensible Space	100,000	100,000	-
Depreciation	3,150,000	3,153,809	(3,809)
Debt service interest	133,457	126,351	7,106
Total expenses	<u>10,781,391</u>	<u>10,554,488</u>	<u>226,903</u>
NONOPERATING ITEMS			
Gain on sale of assets	-	15,066	15,066
Transfers In (Out)	45,000	120,000	75,000
Total Nonoperating items	<u>45,000</u>	<u>135,066</u>	<u>90,066</u>
Changes in Net Position	<u>\$ 1,541,089</u>	<u>\$ 2,650,244</u>	<u>\$ 1,109,155</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets - New Projects	<u>\$ 4,675,674</u>	<u>\$ 1,162,541</u>	<u>\$ (3,513,133)</u>
Acquisition of Capital Assets - Carry Over Projects	<u>\$ 2,298,048</u>	<u>\$ 1,653,551</u>	<u>\$ (644,497)</u>
Payments of Principal on Capital Debt	<u>\$ 509,678</u>	<u>\$ 509,678</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICES FUND - BUDGETARY BASIS
(FLEET, ENGINEERING AND BUILDINGS MAINTENANCE
AND WORKERS COMPENSATION ACTIVITIES)
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Services provided by:				
Fleet	\$ 1,062,554	\$ 1,062,554	\$ 1,155,513	\$ 92,959
Engineering	941,100	941,100	620,810	(320,290)
Buildings Maintenance	1,054,165	1,054,165	1,023,990	(30,175)
Workers Compensation	<u>508,000</u>	<u>508,000</u>	<u>504,549</u>	<u>(3,451)</u>
Interfund Services	3,565,819	3,565,819	3,304,862	(260,957)
Investment earnings	<u>3,750</u>	<u>3,750</u>	<u>360</u>	<u>(3,390)</u>
 Total Revenues	 <u>3,569,569</u>	 <u>3,569,569</u>	 <u>3,305,222</u>	 <u>(264,347)</u>
EXPENSES				
Wages	1,518,840	1,518,840	1,282,090	236,750
Benefits	759,670	759,670	617,824	141,846
Services and Supplies	1,270,645	1,270,645	1,383,194	(112,549)
Utilities	10,860	10,860	10,838	22
Legal & Audit	9,000	9,000	-	9,000
Depreciation	<u>12,000</u>	<u>12,000</u>	<u>12,561</u>	<u>(561)</u>
Total expenses	<u>3,581,015</u>	<u>3,581,015</u>	<u>3,306,507</u>	<u>274,508</u>
Operating Income (loss)	(11,446)	(11,446)	(1,285)	10,161
NONOPERATING ITEMS				
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(474,356)</u>	<u>(174,356)</u>
Total nonoperating items	<u>(300,000)</u>	<u>(300,000)</u>	<u>(474,356)</u>	<u>(174,356)</u>
Changes in Net Position	<u>\$ (311,446)</u>	<u>\$ (311,446)</u>	<u>\$ (475,641)</u>	<u>\$ (164,195)</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

The Statistical Section of the Incline Village General Improvement District Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information indicates about the District's overall financial health.

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Financial Trends

These schedules contain trend information to help understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help assess the District's most significant local revenue source, the Facility Fee, property tax and local share of state-wide shared taxes.

Debt Capacity

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. Certain amounts in prior year statements have been reclassified for comparisons purposes to conform to current year presentations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**District-wide Net Position, based on Statement of Net Position
Last Ten Fiscal Years - (unaudited)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net invested in capital assets	\$ 56,147,092	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677	\$ 38,304,227	\$ 30,800,605
Restricted	136,993	183,037	180,564	178,426	187,825	246,604	270,359	955,415	869,013	341,784
Unrestricted	19,371,388	18,130,708	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085	5,432,800	8,309,236
Total governmental activities net position	\$ 75,655,473	\$ 71,193,766	\$ 67,797,952	\$ 62,708,136	\$ 57,032,382	\$ 54,675,699	\$ 52,264,926	\$ 47,742,177	\$ 44,606,040	\$ 39,451,625
Business-type activities										
Net invested in capital assets	\$ 64,549,358	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673	\$ 53,051,044	\$ 49,445,970
Restricted	316,611	309,344	305,022	226,208	225,435	225,185	224,951	226,777	231,514	558,563
Unrestricted	12,442,309	9,971,293	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147	7,552,741	9,406,203
Total business-type activities net position	\$ 77,308,278	\$ 74,658,034	\$ 72,659,077	\$ 70,226,498	\$ 68,820,148	\$ 67,214,994	\$ 65,566,885	\$ 62,379,597	\$ 60,835,299	\$ 59,410,736
Primary government										
Net invested in capital assets	\$ 120,696,450	\$ 117,257,418	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271	\$ 80,246,575
Restricted	453,604	492,381	485,586	404,634	413,260	471,789	495,310	1,182,192	1,100,527	900,347
Unrestricted	31,813,697	28,102,001	29,423,697	26,000,021	20,343,779	20,220,368	18,631,642	12,027,232	12,985,541	17,715,439
Total primary government net position	\$ 152,963,751	\$ 145,851,800	\$ 140,457,029	\$ 132,934,634	\$ 125,852,530	\$ 121,890,693	\$ 117,831,811	\$ 110,121,774	\$ 105,441,339	\$ 98,862,361

Source: District Comprehensive Annual Financial Report Government-wide Statement of Net Position, restated to align classifications for all years to governmental activities. 2018 is restated for Prior Period Adjustment

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**District-wide Changes in Net Position, based on Statement of Activities
Last Ten Fiscal Years - (unaudited)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities										
General government	\$ 4,194,237	\$ 3,828,917	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904	\$ 3,067,477
Community Services	20,310,745	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165	15,237,986
Beach:	2,141,695	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913	1,252,753
Internal services	3,306,507	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196	1,766,735
Interest on long-term debt	35,017	97,083	160,366	205,263	201,882	252,324	371,938	476,635	437,360	592,288
Total governmental activities expenses	29,988,201	27,775,615	27,323,862	25,777,345	22,804,006	22,108,925	20,942,771	21,774,299	23,176,538	21,917,239
Business-type activities										
Utilities	10,428,137	10,113,371	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015	8,815,457
Interest on long-term debt	126,351	140,463	154,186	167,530	180,505	193,123	186,608	178,631	207,139	234,416
Total business-type activities expenses	10,554,488	10,253,834	9,883,961	9,948,695	9,623,171	9,222,798	8,667,562	8,582,981	8,775,154	9,049,873
Total primary government expenses	40,542,689	38,029,449	37,207,823	35,726,040	32,427,177	31,331,723	29,610,333	30,357,280	31,951,692	30,967,112
Program Revenues										
Governmental activities										
Central Services Costs (& equivalent pre-2012)	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,600	924,154	1,267,842
Charges for services:										
Community Services	17,765,644	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020	11,151,940
Beach	1,492,687	1,266,613	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277	445,307	600,280
Internal Services	3,304,862	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,280	1,964,322	1,814,349
Total governmental activities revenues	23,732,593	20,295,250	22,177,127	20,657,261	15,136,523	15,016,085	14,926,150	13,968,709	14,962,803	14,834,411
Business-type activities										
Charges for services:										
Utilities	12,785,742	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Operating Grants and Contributions	1,440	-	-	-	-	-	-	-	-	-
Total business-type activities revenue	12,787,182	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Total primary government revenue	36,519,775	32,220,807	33,990,296	31,815,380	25,987,646	25,450,203	24,693,625	23,096,664	23,447,964	22,886,105
Net (Expense)/Revenue										
Governmental activities	(6,255,608)	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)	(7,082,828)
Business-type activities	2,232,694	1,671,723	1,929,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(998,179)
Total primary government net (expense)/revenue	(4,022,914)	(5,808,642)	(3,217,527)	(3,910,660)	(6,439,531)	(5,881,520)	(4,916,708)	(7,260,616)	(8,503,728)	(8,081,007)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property taxes	1,622,486	1,546,575	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166	796,482
Committed taxes	1,690,222	1,637,250	1,484,830	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483
Facility Fees - Community Services	5,787,078	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022	5,126,716
Facility Fees - Beach	969,332	972,316	775,337	777,574	778,149	780,716	775,102	899,565	783,029	865,540
Investment earnings	563,685	175,122	83,842	150,795	124,306	103,106	88,116	193,562	102,384	212,096
Miscellaneous	304,245	190,578	310,425	299,355	120,134	170,981	63,692	127,338	306,352	730,666
Capital Grants and contributions	267	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Transfers	(120,000)	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(146,589)	-	-	1,787,393	-
Total governmental activities other changes	10,717,315	10,879,175	10,236,551	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149	8,867,983
Business-type activities										
Investment earnings	282,484	77,280	60,132	154,162	81,996	61,007	55,666	86,010	151,646	189,786
Capital Grants and contributions	-	199,934	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174
Miscellaneous	15,066	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)
Transfers	120,000	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(81,501)	-	-	334,217	-
Total business-type activities other changes	417,550	327,234	503,371	196,926	377,202	436,788	2,087,375	999,324	1,714,557	1,442,175
Change in Net Position										
Governmental activities	4,461,707	3,398,810	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414	1,785,155
Business-type activities	2,650,244	1,998,957	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564	443,996
Total primary government	\$ 7,111,951	\$ 5,397,767	\$ 7,522,395	\$ 7,082,104	\$ 3,961,837	\$ 4,058,882	\$ 7,710,037	\$ 4,680,435	\$ 6,578,978	\$ 2,229,151

Source: District Comprehensive Annual Financial Report Government-wide Statement of Activities, restated all years to align with the classifications of governmental activities. 2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Fund Balances of Governmental Funds
Last Ten Fiscal Years (unaudited)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Non-spendable	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087
Restricted	-	-	-	-	-	-	-	52,000	-	129,000
Committed	-	-	-	400,000	400,000	400,000	400,000	400,000	-	-
Unassigned	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687
Total General Fund	\$ 3,765,586	\$ 3,322,786	\$ 1,862,249	\$ 1,819,993	\$ 1,501,287	\$ 1,391,021	\$ 886,667	\$ 983,891	\$ 615,774	\$ 615,774
Community Services										
Special Revenue Fund										
Non-spendable	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059
Restricted	135,993	78,157	77,136	76,674	86,421	86,332	87,261	101,617	130,467	232,434
Assigned - operations	12,261,649	9,053,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098	5,033,576
Capital Projects - Assigned	-	2,327,477	2,423,806	2,061,541	-	-	-	-	-	-
Debt Service - Assigned	-	51,553	27,394	2,111	-	-	-	-	-	-
Total Comm. Services	\$ 13,333,953	\$ 12,379,499	\$ 12,771,341	\$ 9,918,480	\$ 5,357,755	\$ 6,023,946	\$ 6,067,618	\$ 4,736,436	\$ 4,356,634	\$ 5,705,069
Beach										
Special Revenue Fund										
Non-spendable	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068
Restricted	1,000	1,000	1,000	-	-	-	-	-	-	-
Assigned - operations	1,774,846	1,330,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139
Capital Projects - Assigned	-	85,740	5,155	20,379	-	-	-	-	-	-
Debt Service - Assigned	-	4,606	3,104	1,572	-	-	-	-	-	-
Total Beach	\$ 1,810,378	\$ 1,468,437	\$ 1,078,496	\$ 1,081,701	\$ 1,107,786	\$ 1,672,205	\$ 1,531,639	\$ 1,485,728	\$ 1,177,762	\$ 1,480,207

Board of Trustee action to create the Special Revenue, Capital Project and Debt Service Funds was effective July 1, 2016, and thus start the separate commitments and assignments.

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years ended June 30 (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 3,323,633	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619	\$ 2,195,221	\$ 2,203,067
Charges for Services	19,241,331	15,993,401	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809	11,990,328	11,665,220
Facility Fees	6,797,896	6,737,396	6,754,489	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272	6,850,050	5,992,256
Central Services Charges	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842
Operating Grants	17,000	17,000	17,000	19,880	17,000	106,238	97,123	77,700	84,000	87,000
Investment Earnings	563,325	161,551	81,366	115,690	99,634	78,855	65,199	54,112	66,872	183,300
Miscellaneous	114,779	111,495	198,729	516,763	116,224	111,315	72,307	75,468	29,818	479,521
Total Revenues	<u>31,227,364</u>	<u>27,289,387</u>	<u>29,076,251</u>	<u>28,119,289</u>	<u>22,336,311</u>	<u>22,302,482</u>	<u>22,268,536</u>	<u>21,457,980</u>	<u>22,140,443</u>	<u>21,878,206</u>
Expenditures										
General Government:										
General Fund - current	3,933,149	3,586,203	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413	2,943,084	2,778,075
Capital Outlay	121,257	113,813	148,435	79,331	644,383	84,849	46,452	9,953	211,657	450,907
Recreation:										
Community Services - current	17,288,580	16,137,428	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779	13,185,666	12,927,136
Community Services - Capital Projects	6,043,500	3,905,926	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667	7,058,131	3,144,892
Community Services - Debt Service	381,401	1,285,340	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093	2,352,479	2,422,769
Beach - current	1,906,516	1,619,746	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133	1,147,809	1,115,204
Beach - Capital Projects	284,298	221,248	256,161	319,152	695,822	167,375	550,397	7,196	138,173	122,173
Beach - Debt Service	6,241	6,237	6,215	6,189	276,005	277,192	133,177	133,893	245,237	274,998
Total Expenditures	<u>29,964,942</u>	<u>26,875,941</u>	<u>26,439,163</u>	<u>23,889,320</u>	<u>23,737,353</u>	<u>21,583,120</u>	<u>21,455,696</u>	<u>21,688,127</u>	<u>27,282,236</u>	<u>23,236,154</u>
Other Financing Sources (Uses)										
Transfers In	474,356	800,000	-	-	-	-	-	-	-	-
Transfer (Out)	(120,000)	-	-	-	-	-	-	-	-	-
Sale of assets	40,159	88,415	141,216	37,016	3,910	67,213	(8,615)	51,531	273,969	179,333
Insurance Proceeds	50,300	-	-	-	-	-	-	-	-	-
Capital Grants	31,958	156,775	113,615	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Washoe Co Tax Refund	-	-	-	-	-	-	(694,817)	(280,460)	-	(270,102)
Total Other Sources (Uses)	<u>476,773</u>	<u>1,045,190</u>	<u>254,831</u>	<u>623,377</u>	<u>239,584</u>	<u>66,806</u>	<u>433,838</u>	<u>1,141,007</u>	<u>2,400,717</u>	<u>(90,769)</u>
Net Changes in Fund Balance	<u>\$ 1,739,195</u>	<u>\$ 1,458,636</u>	<u>\$ 2,891,919</u>	<u>\$ 4,853,346</u>	<u>\$ (1,161,458)</u>	<u>\$ 786,168</u>	<u>\$ 1,246,678</u>	<u>\$ 910,860</u>	<u>\$ (2,741,076)</u>	<u>\$ (1,448,717)</u>

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Assessed and Estimated Actual Value of Taxable Real Property Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	Taxable Real Property Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
2019	\$ 1,666,387,475	0.1224	\$ 4,761,107,071	35%
2018	1,623,315,601	0.1182	4,638,044,574	35%
2017	1,532,912,733	0.1183	4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%

SOURCE: State of Nevada Department of Taxation

(Washoe County implemented a County-wide 15% reduction of assessed valuation in 2010)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts

Last Ten Fiscal Years Ended June 30 (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Indine Village GID-Direct	\$ 0.1224	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755
Overlapping-										
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
North Lake Tahoe Fire District	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525	0.5389	0.5275
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total Rate Per \$100 assessed valuation	\$ 3.4517	\$ 3.4475	\$ 3.4476	\$ 3.4562	\$ 3.4450	\$ 3.4398	\$ 3.4569	\$ 3.3656	\$ 3.3197	\$ 3.3032

SOURCE: Nevada Dept. of Taxation - Total Property Tax Rates by Taxing Unit

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Property Taxpayers

Current Fiscal Year and Nine Years Ago (unaudited)

Taxpayer	Type of Entity	Number of Parcels	2019 Assessed Value	% of Total Assessed Value	2010 Assessed Value	% of Total Assessed Value	Rank
Top Ten (Current Year):							
Hyatt Equities LLC	Hotel/Casino	2	\$ 27,046,642	1.58%	\$ 22,361,551	1.54%	1
Tahoe Estates LLC	Residential Property	2	11,424,625	0.67%	5,074,698	0.35%	9
Ponderosa Ranch LLC	Residential Property	22	11,159,232	0.65%	11,134,369	0.77%	3
Cascade Beach LLC	Residential Property	2	12,426,966	0.72%			
1145 Lakeshore Boulevard	Residential Property	1	10,278,475	0.60%			
SF Pacific LLC	Residential Property	1	8,588,089	0.50%			
Lakeshore Trust	Residential Property	1	8,533,838	0.50%	7,385,207	0.51%	5
Ashley 2012 Family Trust/Peno Bottom	Residential Property	2	7,264,391	0.42%	4,798,769	0.33%	10
Andreas Bechtolsheim	Residential Property	4	6,801,062	0.40%			
HTS Ground Lake Tahoe INC	Residential Property	60	6,630,691	0.39%	5,467,926	0.38%	6
In Prior Top Ten:							
Ponderosa Ranch Stables, LLC	Residential Property	1			12,232,203	0.84%	2
David A Duffield Trust	Residential Property	6			7,815,728	0.54%	4
KWS Nevada Residential LLC	Residential Property	3			5,382,782	0.37%	7
Lacey Family Trust/1041 Realty Trust	Residential Property	1			5,317,696	0.37%	8
			<u>\$ 110,154,011</u>	<u>6.41%</u>	<u>\$ 86,970,929</u>	<u>6.00%</u>	
Total IVGID Community			<u>\$1,717,224,973</u>	<u>100.00%</u>	<u>\$1,448,979,941</u>	<u>100.00%</u>	

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Tax Levies, Collections and Delinquencies - Washoe County as a Whole (In Thousands)
 Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2019	\$ 500,623	\$ 498,311	99.55%	\$ -	\$ 498,311	99.54%
2018	473,365	471,229	99.55%	1,745	472,974	99.92%
2017	452,327	449,930	99.47%	2,295	452,225	99.98%
2016	440,185	438,074	99.52%	2,093	440,167	100.00%
2015	424,115	421,125	99.30%	2,983	424,108	100.00%
2014	411,260	407,469	99.08%	3,787	411,256	100.00%
2013	411,058	405,977	98.76%	5,075	411,052	100.00%
2012	422,799	416,849	98.59%	5,947	422,796	100.00%
2011	458,717	451,994	98.53%	6,720	458,714	100.00%
2010	504,823	495,281	98.11%	9,539	504,820	100.00%

SOURCE: Washoe County Comptroller's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	<u>Governmental-Type Activities:</u>			<u>Business-Type Activities:</u>			Gross	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total	Bonded Debt	Property Taxes	Pledged Revenues		
2019	\$ 1,498,000	\$ -	\$ 1,498,000	\$ 1,144,565	\$ 3,464,361	\$ 4,608,926	\$ 6,106,926	0%	100%	9087	\$ 672
2018	1,848,000	-	1,848,000	1,346,488	3,772,116	5,118,604	6,966,604	0%	100%	9087	767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	6,081,386	18,646,386	0%	100%	9087	2,052
2010	6,880,000	7,795,000	14,675,000	2,755,584	4,142,174	6,897,758	21,572,758	0%	100%	9087	2,374

SOURCE: Incline Village General Improvement District Annual Indebtedness/Debt Management Reports/Restated for change in classification of the Community Services and Beach activities from Business-type to Governmental Type as of July 1, 2015.

Note: All outstanding bonds carry a revenue pledge, some also carry a secondary General Obligation pledge.
However, no tax levy is made to fund debt service because net revenues are sufficient to meet these obligations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

OUTSTANDING OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS

Last ten fiscal years (unaudited)

	General Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Indine Village	As of June 30, 2019 Applicable Net Debt
Washoe County	\$ 131,016,000	\$ 39,293,000	9.86900%	\$ 9,052,141
Washoe County School District	735,198,000	-	9.86900%	72,556,675
State of Nevada	1,284,715,000	311,203,000	1.39064%	13,538,025
Total	2,150,929,000	350,496,000		95,146,841
Indine Village GID	6,101,609	6,101,609		-
Total	\$ 2,157,030,609	\$ 356,597,609		\$ 95,146,841
Applicable Net Debt June 30:				
2018				\$ 99,064,878
2017				77,387,251
2016				73,677,678
2015				79,052,199
2014				92,762,454
2013				96,542,090
2012				94,180,056
2011				90,743,574
2010				93,265,052

*Percentage Applicable based on Assessed Valuation as reported by the Nevada Department of Taxation

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Indine Village General Improvement District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Utility Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2019	\$ 12,785,742	\$ 7,274,328	\$ 297,550	\$ 5,808,964	\$ 643,134	9.03
2018	11,925,557	7,139,740	127,300	4,913,117	643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Utility departments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Community Services and Beach Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Operating Revenues	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2019	\$ 26,024,657	\$ 19,195,096	\$ 112,777	\$ 6,942,338	\$ 387,642	17.91
2018	22,730,797	17,757,174	71,591	5,045,214	1,291,577	3.91
2017	24,617,436	17,507,218	29,686	7,139,904	1,290,472	5.53
2016	20,666,327	16,347,129	69,701	4,388,899	1,289,263	3.40
2015	18,272,166	14,392,676	173,933	4,053,423	2,028,342	2.00
2014	18,472,073	14,002,615	196,763	4,666,221	2,025,584	2.30
2013	18,618,024	13,485,112	90,791	5,223,703	2,353,561	2.22
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06
2010	17,744,476	13,408,419	813,979	5,150,036	2,682,739	1.92

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issues were used by both funds.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Ratio of Annual Debt Service Expenditures
To Governmental and Business Type Expenditures/Expenses
For the last 10 Years (unaudited)**

Year	Governmental Type Debt Service Expenditures	Business Type Debt Service Expenditures	Total District Debt Service Expenditures	Total Governmental Type Expenditures	Total Business Type Expenses	Ratio Debt Service to Governmental Type Expenditures	Ratio Debt Service to Business Type Expenses
2019	\$ 387,642	\$ 643,134	\$ 1,030,776	\$ 28,795,542	\$ 10,554,488	1.35%	6.09%
2018	1,291,577	643,135	1,934,712	25,781,941	10,113,371	5.01%	6.36%
2017	1,290,472	643,135	1,933,607	25,261,963	9,729,775	5.11%	6.61%
2016	1,289,263	636,808	1,926,071	24,654,345	9,901,095	5.23%	6.43%
2015	2,028,342	636,781	2,665,123	23,737,353	9,442,666	8.54%	6.74%
2014	2,025,584	636,956	2,662,540	21,583,120	9,029,675	9.39%	7.05%
2013	2,353,561	965,108	3,318,669	21,455,696	8,480,954	10.97%	11.38%
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%
2011	2,586,856	1,013,922	3,600,778	27,282,236	8,568,015	9.48%	11.83%
2010	2,682,739	1,016,046	3,698,785	23,236,154	8,815,457	11.55%	11.53%

SOURCE: Incline Village General Improvement District Comprehensive Annual Financial Reports

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2019	\$ 1,666,387,475	\$ 833,193,738	\$ 6,106,926	\$ 827,086,812
2018	1,623,315,601	811,657,801	6,966,604	804,691,197
2017	1,532,912,733	766,456,367	8,649,365	757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income ²</u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate ²</u>
2019	9087						4.0%
2018	9087						3.5%
2017	9087						4.0%
2016	9087						5.9%
2015	9087						6.4%
2014	9087						7.3%
2013	9087						9.8%
2012	9087						12.0%
2011	9087						13.0%
2010 ¹	9087	46.1	\$40,322	7,954	3,924	3,353	13.6%
2000 ¹	9952	42.1	\$36,658	7,664	4,176	2,957	4.0%

1 Based on actual Census Data

2 Best available unemployment data, a rate is not determined for our immediate area.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Employers - Incline Village and Crystal Bay
Current Fiscal Year and Past Years as Available (unaudited)

Employer	Ranking by Year								
	2019	2018	2017	2016	2015	2014	2013	2012	2011
HYATT LAKE TAHOE RESORT	1	1	1	1	1	1	1	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2	2	2	2	2	2	2	2
GRAND LODGE CASINO AT HYATT (and predecessors)	3	3	4	4	5		5	5	6
TAHOE BILTMORE	4	4	7			3	8	6	7
SIERRA NEVADA COLLEGE	5	5	3	3	4	4	3	3	5
RALEY'S	6	6	9	6	6	6	9	7	8
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	7	8	8	8	9	7		9	9
TAHOE FOREST HOSPITAL HEALTH	8	9		10	10	9	10	10	
WASHOE COUNTY SCHOOL DISTRICT	9	10							
ASSOCIATED SIERRA NORTH	10					10			
CRYSTAL BAY CLUB CASINO		7	5	7		5	6	4	4
ACE TOTAL SERVICES INC (Excel)			6	5	3		7	8	
KELLY BROTHERS PAINTING INC.			10	9	8				
CAL_NEVA LODGE						8			10
Single Residence Project Employers:									
BOC-NEVADA, INC.							4		3
BLUE ROCK DEVELOPMENT					7				

SOURCE: Nevada Department of Employment, Training and Rehabilitation (DETR)
 DETR indicates the methodology for determining rankings has changed year on year.
 Data for all years is not available.
 Data for percentage to total employment is not available.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Position and Full Time Equivalent Personnel Summary
Community Services and All Other Activities
For the last Ten Years (unaudited)**

	Budget year ending June 30	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Golf	Seasonal/Part Time Positions	122.8	113.8	117.9	105.2	107.2	97.5	103.5	72.3	68.5	68.0
	Season/Part Time FTE	41.2	38.4	38.4	35.0	37.0	35.3	36.8	27.4	29.1	28.8
	Full Time FTE	11.4	11.6	11.0	7.9	7.2	6.7	6.8	6.99	8.1	9.6
	Total FTE	52.6	50.0	49.4	42.9	44.2	42.0	43.6	34.39	37.16	38.4
Facilities	Seasonal/Part Time Positions	0.3	0.3	0.3	1.7	1.7	16.5	2.0	1.8	1.5	0.5
	Season/Part Time FTE	0.2	0.1	0.1	1.2	1.2	3.6	1.0	1.0	0.7	0.1
	Full Time FTE	1.2	1.3	1.2	1.1	1.1	3.4	2.0	1.1	1.0	2.5
	Total FTE	1.4	1.4	1.3	2.3	2.3	7.0	3.0	2.1	1.8	2.6
Ski	Seasonal/Part Time Positions	285.7	281.5	273.5	254.0	254.0	247.0	193.0	216.0	225.0	218.0
	Season/Part Time FTE	57.7	54.4	50.6	46.7	46.0	49.6	33.6	41.8	39.3	39.7
	Full Time FTE	16.7	16.4	15.2	14.5	14.4	11.7	9.8	12.8	9.6	10.5
	Total FTE	74.4	70.8	65.8	61.2	60.4	61.3	43.4	54.6	48.9	50.2
Parks & Recreation	Seasonal/Part Time Positions	91.5	91.5	91.0	102.3	103.4	94.3	101.8	100.9	103.3	106.5
	Season/Part Time FTE	23.9	24.9	24.8	25.0	25.5	25.9	27.7	28.4	28.6	29.8
	Full Time FTE	11.0	10.1	10.1	10.1	9.8	9.0	11.8	11.8	12.3	14.5
	Total FTE	34.9	36.0	35.9	35.1	35.3	34.9	39.5	40.4	40.9	44.4
Marketing	Seasonal/Part Time Positions	1.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.1	0.3	0.3	0.3	0.3	0.0	0.7	0.7	0.7	0.7
	Full Time FTE	3.1	2.8	2.8	2.9	2.9	3.0	2.0	3.0	3.0	3.0
	Total FTE	3.2	3.1	3.1	3.2	3.2	3.0	2.7	3.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions							57.0	59.0	53.0	59.0
	Season/Part Time FTE							14.4	14.3	18.1	18.9
	Full Time FTE							4.0	5.0	5.3	5.6
	Total FTE							18.4	19.3	23.4	24.5
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	4.8	4.8	2.8	0.8	3.1	3.2	3.2	Prior to 2011
	Season/Part Time FTE	1.8	1.8	1.8	1.8	1.4	0.1	1.1	1.6	1.6	Other Recreation were
	Full Time FTE	1.4	1.4	0.9	1.0	1.6	1.6	1.8	2.4	1.4	included in Parks
	Total FTE	3.2	3.2	2.7	2.8	3.0	1.7	2.9	4.0	3.0	and Recreation.
Total Community Service	Seasonal/Part Time Positions	514.3	502.0	497.5	467.9	469.0	456.1	462.4	456.1	459.5	454.5
	Season/Part Time FTE	126.2	121.6	117.7	109.6	111.1	114.5	115.3	116.4	116.1	118.2
	Full Time FTE	41.7	40.9	38.5	34.7	34.1	35.4	38.2	41.7	41.2	46.4
	Total FTE	167.9	162.5	156.2	144.3	145.2	149.9	153.5	158.1	157.2	164.5
Beach	Seasonal/Part Time Positions	109.5	97.4	99.0	96.9	94.0	89.0	88.1	90.6	86.6	95.6
	Season/Part Time FTE	21.2	18.7	18.4	18.0	17.3	14.3	13.2	12.4	11.2	14.4
	Full Time FTE	4.6	3.9	3.9	4.0	3.0	2.8	2.1	2.5	3.1	3.7
	Total FTE	25.8	22.6	22.3	22.0	20.3	17.1	15.3	14.9	14.3	18.1
Administration	Seasonal/Part Time Positions	4.0	4.0	0.0	1.0	1.0	2.0	2.0	3	4.0	4.0
	Season/Part Time FTE	1.1	1.5	0.0	0.5	0.4	0.4	0.3	0.9	1.2	1.2
	Full Time FTE	22.2	21.8	22.8	22.7	20.7	22.6	20.7	20.2	21.2	21.2
	Total FTE	23.3	23.3	22.8	23.2	21.1	23.0	21.0	21.1	22.4	22.4
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
	Full Time FTE	4.8	3.8	3.8	3.8	2.8	2.8	2.8	2.8	2.8	2.8
	Total FTE	5.1	4.1	4.1	4.1	3.1	3.1	3.1	3.1	3.0	3.0
Fleet	Seasonal/Part Time Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Full Time FTE	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0
	Total FTE	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	6.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	4.0	5.0	5.0	5.0	3.0	3.0	3.0	2.0	1.0	2.0
	Season/Part Time FTE	2.4	3.4	3.4	3.3	1.2	1.0	0.7	0.7	0.0	0.7
	Full Time FTE	32.2	31.2	31.2	31.2	31.2	31.2	30.2	31.2	31.3	31.7
	Total FTE	34.6	34.6	34.6	34.5	32.4	32.2	30.9	31.9	31.3	32.4
District Wide	Seasonal/Part Time Positions	633.8	610.4	603.5	572.8	569.0	552.1	556.5	553.7	561.1	558.1
	Season/Part Time FTE	151.7	146.0	140.3	132.2	130.8	131.0	130.3	131.2	129.2	135.2
	Full Time FTE	118.6	113.6	112.2	108.4	102.8	104.8	104.0	108.4	109.6	116.8
	Total FTE	270.3	259.6	252.5	240.6	233.6	235.8	234.3	239.6	238.8	252.0

Source: Incline Village General Improvement District Operating Budget for Authorized Positions.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

User Statistics, Last Ten Fiscal Years

Total number of users (unaudited)

Program	Unit Measured	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Water	Locations	4,269	4,270	4,251	4,243	4,234	4,229	4,223	4,217	4,217	4,216
Sewer	Locations	4,180	4,178	4,160	4,152	4,144	4,139	4,124	4,121	4,118	4,116
Refuse	Locations	4,345	4,345	4,338	4,177	4,162	4,138	4,151	4,149	4,233	4,233
Championship Course	Rounds played	21,650	23,139	21,353	22,881	23,142	23,784	23,744	22,860	20,417	21,841
Mountain Course	Rounds played	16,062	17,111	15,209	15,687	14,983	14,570	13,129	13,556	13,386	15,748
Beach	Individual visits	192,321	189,291	186,146	171,772	172,628	173,963	165,089	165,387	155,671	128,241
Tennis	Individual visits	13,082	13,630	14,683	14,823	14,129	13,337	13,009	14,398	14,080	12,333
Skier	Individual visits	130,922	120,847	160,613	167,064	84,568	93,935	103,397	98,818	131,371	126,867
Recreation Center	Individual visits	129,831	123,561	121,598	115,662	126,799	130,887	125,294	124,356	119,459	125,629

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Budgeted Facility Fees per parcel, Last Ten Fiscal Years (unaudited)

Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Ski	\$ 29	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22
Tennis	20	20	18	16	9	21	6	18	15	19
Parks	118	117	117	97	108	86	102	200	120	131
Recreation Center	262	268	269	197	241	204	241	112	118	106
Championship Golf	98	97	83	126	81	75	87	47	30	38
Mountain Golf	63	62	54	69	31	29	40	20	22	21
Beaches	125	125	100	100	100	100	100	115	100	113
Youth	25	26	26	24	21	20	15	25	22	22
Seniors	21	20	20	19	12	19	16	20	23	26
Adult Programs	-	-	-	-	1	1	2	2	3	4
Catering	-	-	-	-	-	(13)	(8)	26	(2)	(6)
Facilities	57	56	57	47	46	52	35	33	48	33
Reserves for Recreation	-	-	-	-	-	49	75	40	-	-
Golf/Tennis/Ski Bonds	-	-	-	-	85	85	85	85	85	85
Ski Lodge Bond	-	110	110	110	110	110	110	110	110	110
Defensible Space	12	12	12	12	12	12	12	12	12	12
Coverage sales	-	-	-	-	-	-	-	-	(27)	-
Other/Unclassified	-	-	-	-	-	-	-	-	-	-
Total	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 736
 Total Collected (in 1,000's)	 \$ 6,758	 \$ 6,746	 \$ 6,747	 \$ 6,746	 \$ 6,746	 \$ 6,742	 \$ 6,737	 \$ 6,819	 \$ 6,850	 \$ 5,992

Bracketed amounts represent a venue that does not collect, but rather puts back an amount per parcel into the total for other venues to use the proceeds for operations.

Coverage sales in 2011 relate to the specific application of proceeds designated to reduce capital costs in Community Service venues.

The Facility Fee can be a resource for operating expenses, debt service or capital purchases. It is set annually by the Board of Trustees.

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water and Sewer Single Family Base Rates Last Ten Fiscal Years (unaudited)

Fiscal Year 6/30	Water Monthly Base Rate	Consumption Rate Per 1,000 gallons	Sewer Monthly Base Rate	Consumption Rate Per 1,000 gallons
2019	\$ 32.09	\$ 0.93	\$ 54.96	\$ 3.20
2018	30.84	0.93	52.76	3.10
2017	29.82	0.95	51.45	3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40

The District charges based on pay for what you use
 Rate changes are considered for implementation May each year.
 In 2013 the changes were not effective until July 19, 2013.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water Sold by Customer Type
Last Ten Fiscal Years (unaudited)
(in millions of gallons)

Fiscal Year	Residential	Commercial	Total
2019	606	259	865
2018	633	282	915
2017	604	256	860
2016	594	255	849
2015	634	258	892
2014	673	292	965
2013	701	300	1,001
2012	626	312	938
2011	620	239	859
2010	636	253	889

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION



CPAs & BUSINESS ADVISORS

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

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over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
November 18, 2019



Auditor's Comments

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 1E to the financial statements. In addition, the District recorded a prior period adjustment as described in Note 22 to ensure compliance with NRS 354.6215.

Progress on Prior Year Statute Compliance

The District reported no instances of noncompliance with significant constraints on its financial administration during the year ended June 30, 2018.

Prior Year Recommendations

There were no findings for the year ended June 30, 2018.

Current Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal control for the current year.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
November 18, 2019

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GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

893 Southwood Blvd., Incline Village, NV 89451

(775) 832-1100

www.YourTahoePlace.com

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
Interim General Manager

THROUGH: Joseph J. Pomroy, P.E.
Director of Public Works

FROM: Nathan Chorey, P.E.
Engineering Manager

SUBJECT: Review, discuss and possibly select a preferred alternative for the Incline Beach House – A Community Services Master Plan Priority Project to include in the 5-year Capital Improvement Plan Budget.

STRATEGIC PLAN: Long Range Principle #5 – Assets and Infrastructure

DATE: December 30, 2019

I. RECOMMENDATION

That the Board of Trustees moves to review, discuss and possibly select a preferred alternative for the Incline Beach House – A Community Services Master Plan Priority Project to include in the 5-year Capital Improvement Plan Budget.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

III. **BACKGROUND**

The Incline Beach House has been identified as a Community Service Master Plan Priority Project (Top Tier Recommendation) by the District Board of Trustees. The Top Tier Recommendation from page 136 from the Community Services Master Plan includes the recommendations and priorities identified in The IVGID Beaches Recreation Enhancement Opportunities Plan Prepared for Incline Village General Improvement District February 2016 and is located on the website. The Project was last discussed at the November 13, 2019 Board Meeting and the preceding project history was documented in the associated Board Memorandum (Item I.6.General Business).

At the November 13, 2019 meeting, the Board of Trustees directed staff to revise the BSA's proposed Incline Beach House designs and present at a future meeting the revised designs. Specific input included:

- Enlarge the bathrooms over the existing condition but do not overbuild. Portables should still be utilized during the busiest periods.
- Enlarge the bar over the existing condition.
- Focus should be on the outdoor space with an emphasis on the bar with areas to gather, eat, and snack in the shade. Remove scramble area included on BSA's designs.

Based on the above input staff developed IVGID Alternative #1. The table below compares the net square footage of the existing Incline Beach House to BSA's Scheme A & B and IVGID Alternative #1. Net square footage is the actual occupied area not including interior and exterior walls.

Area Name	Existing Area (SF)	Proposed BSA Scheme A Area (SF)	Proposed BSA Scheme B Area (SF)	Proposed IVGID Alt. #1 Area (SF)
Scramble	-	857	836	-
Janitor Closet	-	17	-	-
Office	-	70	80	-
Family Restroom	-	179	143	141
Men's Restroom	240	323	270	235
Women's Restroom	240	323	263	229
Beer	-	70	79	80
Cooler	-	117	113	115
Dry Storage	90	90	106	109
Freezer	-	52	60	82
Kitchen	320	546	468	467
Liquor	-	88	45	45
Storage	88	117	87	87
Mechanical	46	63	45	43
Hall	-	147	147	104
Total	1,024	3,059	2,742	1,737

IV. FINANCIAL IMPACT AND BUDGET

The Incline Beach Facility Study has a budget of \$29,400 in the 2019-20 Capital Improvement Plan. No further funds have been allocated for this project. The following table presents the preliminary project cost estimates for the three alternatives.

Description of Improvements	BSA Scheme A (GFA ¹ = 3,400 SF)	BSA Scheme B (GFA ¹ = 3,100 SF)	IVGID Alternative #1 (GFA ¹ = 2,005 SF)
Building and Site	\$2,842,000	\$2,693,000	\$1,709,000
Bar	\$227,000	\$340,000	\$340,000
Deck	\$174,000	\$188,000	\$220,000
Food Service Equipment	\$690,000	\$690,000	\$690,000
Site Furnishings	\$118,000	\$118,000	\$118,000
Total	\$4,051,000	\$4,029,000	\$3,077,000

¹GFA: Gross Floor Area – Total building square footage as measured between the exterior walls of the structure.

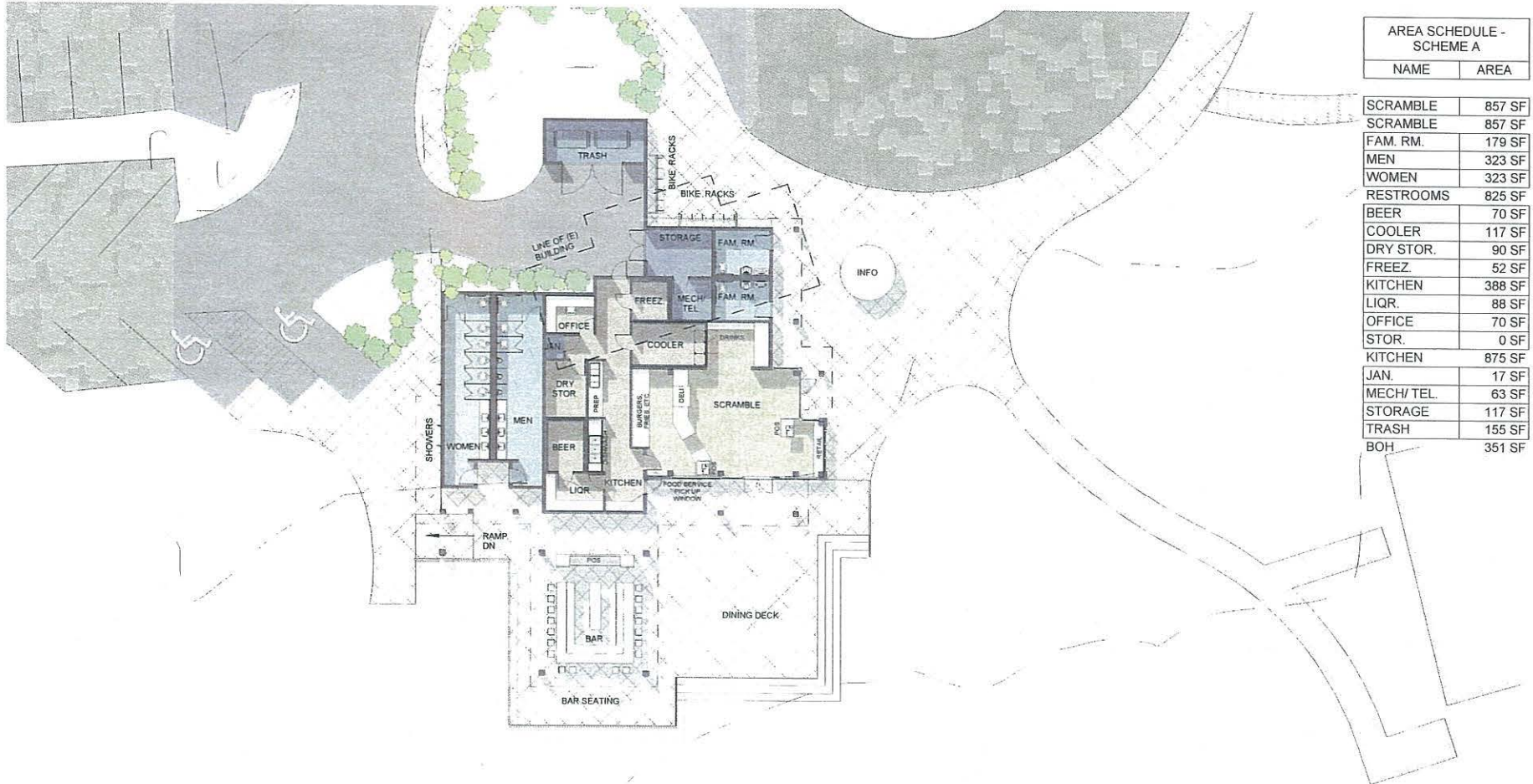
The construction cost estimates are based on Mack5's conceptual Design Cost Plan for Incline Beach House, dated February 2017. The construction budget allocated in a future capital budget should adjust the total cost estimate stated above to account for inflation based on the anticipated start date of construction.

V. ALTERNATIVES

This memo is requesting the Board to provide direction to Staff on the preferred alternative for the Incline Beach House Project.

VI. 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.



AREA SCHEDULE -
SCHEME A

NAME	AREA
SCRAMBLE	857 SF
SCRAMBLE	857 SF
FAM. RM.	179 SF
MEN	323 SF
WOMEN	323 SF
RESTROOMS	825 SF
BEER	70 SF
COOLER	117 SF
DRY STOR.	90 SF
FREEZ.	52 SF
KITCHEN	388 SF
LIQR.	88 SF
OFFICE	70 SF
STOR.	0 SF
KITCHEN	875 SF
JAN.	17 SF
MECH/ TEL.	63 SF
STORAGE	117 SF
TRASH	155 SF
BOH	351 SF

AREA SUMMARY

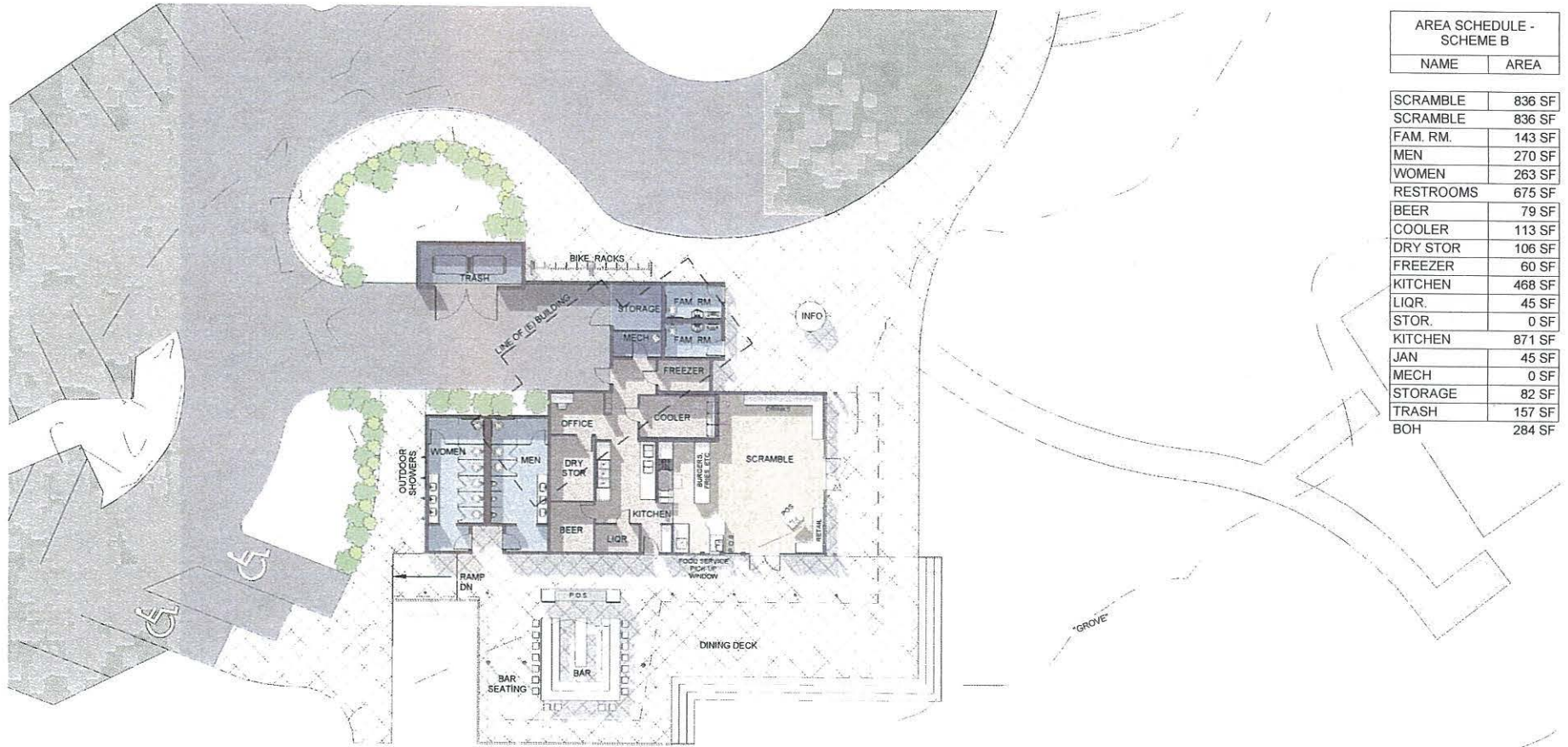
ENCLOSED BLDG AREA:	3,155 SF
DINING DECK:	1,500 SF
COVERED BAR & ASSOCIATED DECK:	700 SF
TRASH:	190 SF



SCHEME A- FLOOR PLAN

INCLINE VILLAGE BEACH HOUSE
JUNE 2017





AREA SCHEDULE - SCHEME B	
NAME	AREA
SCRAMBLE	836 SF
SCRAMBLE	836 SF
FAM. RM.	143 SF
MEN	270 SF
WOMEN	263 SF
RESTROOMS	675 SF
BEER	79 SF
COOLER	113 SF
DRY STOR	106 SF
FREEZER	60 SF
KITCHEN	468 SF
LIQR.	45 SF
STOR.	0 SF
KITCHEN	871 SF
JAN	45 SF
MECH	0 SF
STORAGE	82 SF
TRASH	157 SF
BOH	284 SF

AREA SUMMARY

ENCLOSED BLDG AREA:	2,850 SF
BASE BLDG DECK:	800 SF
DINING DECK:	1,350 SF
COVERED BAR & ASSOCIATED DECK:	850 SF
TRASH:	180 SF

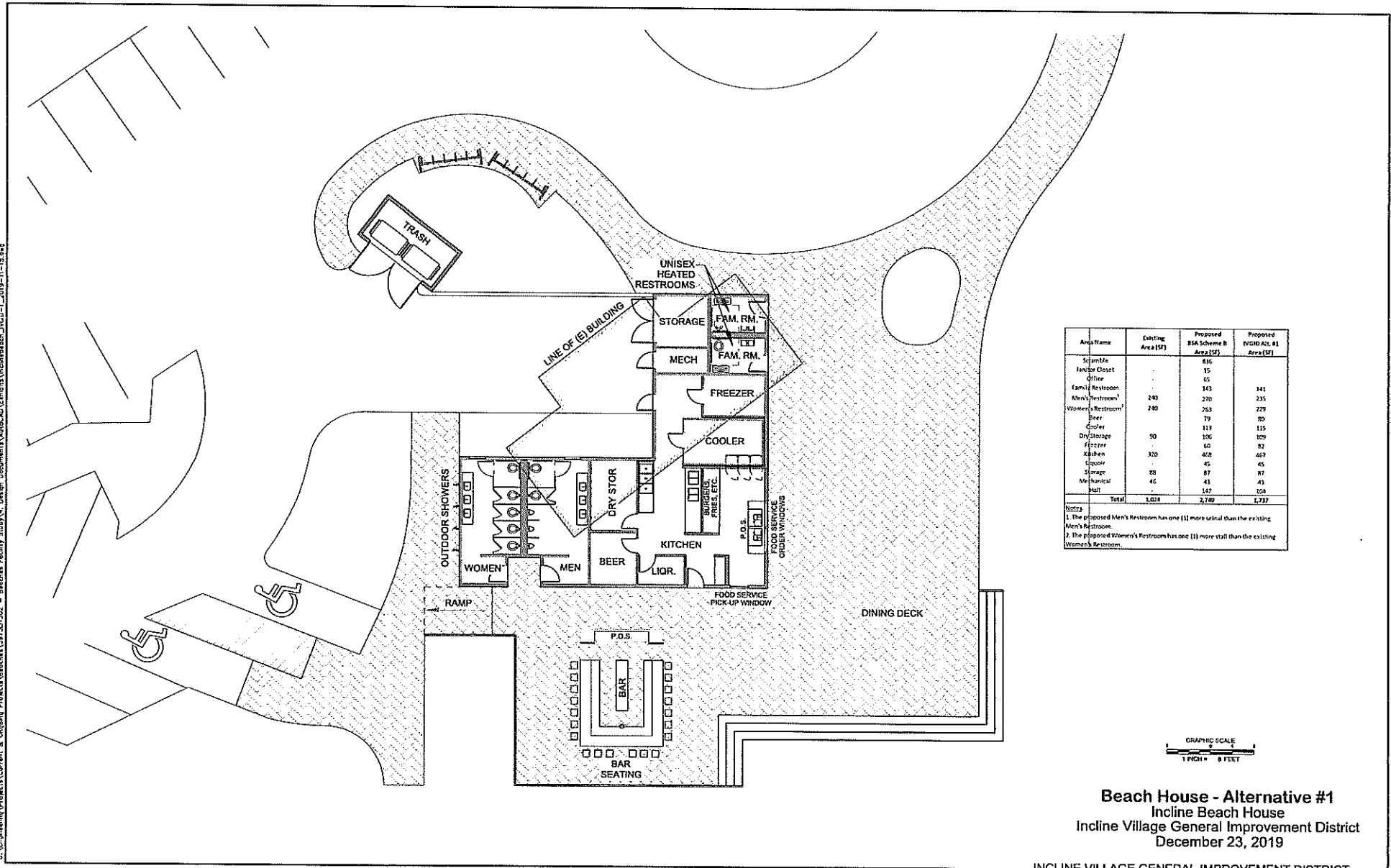


SCHEME B- FLOOR PLAN

INCLINE VILLAGE BEACH HOUSE
JUNE 2017



bull stockwell allen
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Area Name	Existing Area (SF)	Proposed BSA Scheme B Area (SF)	Proposed (VGID Act. #1) Area (SF)
Sijmids	-	836	-
Janitor Closet	-	15	-
Office	-	65	-
Family Restroom	-	143	141
Men's Restroom	240	270	235
Women's Restroom	240	263	229
Beer	-	79	80
Coffee	-	113	115
Dry Storage	90	106	109
Freezer	-	60	82
Kitchen	320	408	469
Liquor	-	45	45
Storage	88	87	87
Mechanical	45	43	43
Hall	-	147	128
Total	1,028	2,240	1,797

Notes
 1. The proposed Men's Restroom has one (1) more toilet than the existing Men's Restroom.
 2. The proposed Women's Restroom has one (1) more stall than the existing Women's Restroom.



Beach House - Alternative #1
 Incline Beach House
 Incline Village General Improvement District
 December 23, 2019

M E M O R A N D U M

TO: Board of Trustees

FROM: Indra S. Winquest
Interim General Manager

SUBJECT: Review, discuss, and provide further direction for consideration of possibly seeking a request for proposals to conduct a review of District Internal Controls.

DATE: December 24, 2019

I. RECOMMENDATION

At the December 11, 2019 Board of Trustees meeting, Staff was directed to provide information on the nature and format of the national standards for internal controls. These formats and standards could presumably aid the Board in deciding a scope for a District Internal Control Review and Report. The recognized standard is entitled *Internal Control – Integrated Framework*. A copy of the Committee of Sponsoring Organizations of the Treadway Commission Internal Control - Integrated Framework Executive Summary dated May 2013, (downloaded from their website) has been attached for your review.

II. COMMENTS

Staff recommends the Board of Trustees use the Framework to develop objectives and a scope of their expectations for a review of internal controls.

III. FINANCIAL IMPACT

There is nothing included in the 2019/2020 budget for this activity therefore there are two options:

- a. Conduct this activity as an unbudgeted activity in Fiscal Year 2019/2020 and make a determination of where the funding will come from
- b. Conduct this activity as a budget activity in Fiscal Year 2020/2021 which will allow for a determination of where the funding will come from

IV. BOARD LEADERSHIP

Since this is a Board of Trustees requested activity, one Board member should be appointed at the Board of Trustees leadership to oversee, direct and ensure that this activity concurs with what the Board of Trustees desires.



Committee of Sponsoring Organizations of the Treadway Commission

Internal Control – Integrated Framework

Executive Summary

May 2013

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Committee of Sponsoring Organizations of the Treadway Commission

Internal Control – Integrated Framework

Executive Summary

May 2013

This project was commissioned by COSO, which is dedicated to providing thought leadership through the development of comprehensive frameworks and guidance on internal control, enterprise risk management, and fraud deterrence designed to improve organizational performance and oversight and to reduce the extent of fraud in organizations. COSO is a private sector initiative, jointly sponsored and funded by:

- American Accounting Association (AAA)
- American Institute of Certified Public Accountants (AICPA)
- Financial Executives International (FEI)
- Institute of Management Accountants (IMA)
- The Institute of Internal Auditors (IIA)

Committee of Sponsoring Organizations of the Treadway Commission

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Professional Accounting Fellow
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(Commencing July 2012)

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Senior Technical Manager

Keith Wilson
Public Company Accounting
Oversight Board
Deputy Chief Auditor

Foreword

In 1992 the Committee of Sponsoring Organizations of the Treadway Commission (COSO) released its *Internal Control—Integrated Framework* (the original framework). The original framework has gained broad acceptance and is widely used around the world. It is recognized as a leading framework for designing, implementing, and conducting internal control and assessing the effectiveness of internal control.

In the twenty years since the inception of the original framework, business and operating environments have changed dramatically, becoming increasingly complex, technologically driven, and global. At the same time, stakeholders are more engaged, seeking greater transparency and accountability for the integrity of systems of internal control that support business decisions and governance of the organization.

COSO is pleased to present the updated *Internal Control—Integrated Framework (Framework)*. COSO believes the *Framework* will enable organizations to effectively and efficiently develop and maintain systems of internal control that can enhance the likelihood of achieving the entity's objectives and adapt to changes in the business and operating environments.

The experienced reader will find much that is familiar in the *Framework*, which builds on what has proven useful in the original version. It retains the core definition of internal control and the five components of internal control. The requirement to consider the five components to assess the effectiveness of a system of internal control remains unchanged fundamentally. Also, the *Framework* continues to emphasize the importance of management judgment in designing, implementing, and conducting internal control, and in assessing the effectiveness of a system of internal control.

At the same time, the *Framework* includes enhancements and clarifications that are intended to ease use and application. One of the more significant enhancements is the formalization of fundamental concepts that were introduced in the original framework. In the updated *Framework*, these concepts are now principles, which are associated with the five components, and which provide clarity for the user in designing and implementing systems of internal control and for understanding requirements for effective internal control.

The *Framework* has been enhanced by expanding the financial reporting category of objectives to include other important forms of reporting, such as non-financial and internal reporting. Also, the *Framework* reflects considerations of many changes in the business and operating environments over the past several decades, including:

- Expectations for governance oversight
- Globalization of markets and operations
- Changes and greater complexities of business
- Demands and complexities in laws, rules, regulations, and standards
- Expectations for competencies and accountabilities
- Use of, and reliance on, evolving technologies
- Expectations relating to preventing and detecting fraud

This *Executive Summary*, provides a high-level overview intended for the board of directors, chief executive officer, and other senior management. The *Framework and Appendices* publication sets out the *Framework*, defining internal control, describing requirements for effective internal control including components and relevant principles, and providing direction for all levels of management to use in designing, implementing, and conducting internal control and in assessing its effectiveness. Appendices within the *Framework and Appendices* provide additional reference, but are not considered a part of the *Framework*. The *Illustrative Tools for Assessing Effectiveness of a System of Internal Control*, provides templates and scenarios that may be useful in applying the *Framework*.

In addition to the *Framework*, *Internal Control over External Financial Reporting: A Compendium of Approaches and Examples* has been published concurrently to provide practical approaches and examples that illustrate how the components and principles set forth in the *Framework* can be applied in preparing external financial statements.

COSO previously issued *Guidance on Monitoring Internal Control Systems* to help organizations understand and apply monitoring activities within a system of internal control. While this guidance was prepared to assist in applying the original framework, COSO believes this guidance has similar applicability to the updated *Framework*.

COSO may, in the future, issue other documents to provide assistance in applying the *Framework*. However, neither the *Internal Control over External Financial Reporting: A Compendium of Approaches and Examples*, *Guidance on Monitoring Internal Control Systems*, nor any other past or future guidance takes precedence over the *Framework*.

Among other publications published by COSO is the *Enterprise Risk Management—Integrated Framework (ERM Framework)*. The *ERM Framework* and the *Framework* are intended to be complementary, and neither supersedes the other. Yet, while these frameworks are distinct and provide a different focus, they do overlap. The *ERM Framework* encompasses internal control, with several portions of the text of the original *Internal Control—Integrated Framework* reproduced. Consequently, the *ERM Framework* remains viable and suitable for designing, implementing, conducting, and assessing enterprise risk management.

Finally, COSO would like to thank PwC and the Advisory Council for their contributions in developing the *Framework* and related documents. Their full consideration of input provided by many stakeholders and their insight were instrumental in ensuring that the core strengths of the original framework have been preserved, clarified, and strengthened.

David L. Landsittel
COSO Chair

Executive Summary

Internal control helps entities achieve important objectives and sustain and improve performance. COSO's *Internal Control—Integrated Framework (Framework)* enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization.

Designing and implementing an effective system of internal control can be challenging; operating that system effectively and efficiently every day can be daunting. New and rapidly changing business models, greater use and dependence on technology, increasing regulatory requirements and scrutiny, globalization, and other challenges demand any system of internal control to be agile in adapting to changes in business, operating and regulatory environments.

An effective system of internal control demands more than rigorous adherence to policies and procedures: it requires the use of judgment. Management and boards of directors¹ use judgment to determine how much control is enough. Management and other personnel use judgment every day to select, develop, and deploy controls across the entity. Management and internal auditors, among other personnel, apply judgment as they monitor and assess the effectiveness of the system of internal control.

The *Framework* assists management, boards of directors, external stakeholders, and others interacting with the entity in their respective duties regarding internal control without being overly prescriptive. It does so by providing both understanding of what constitutes a system of internal control and insight into when internal control is being applied effectively.

For management and boards of directors, the *Framework* provides:

- A means to apply internal control to any type of entity, regardless of industry or legal structure, at the levels of entity, operating unit, or function
- A principles-based approach that provides flexibility and allows for judgment in designing, implementing, and conducting internal control—principles that can be applied at the entity, operating, and functional levels
- Requirements for an effective system of internal control by considering how components and principles are present and functioning and how components operate together
- A means to identify and analyze risks, and to develop and manage appropriate responses to risks within acceptable levels and with a greater focus on anti-fraud measures

1 The *Framework* uses the term "board of directors," which encompasses the governing body, including board, board of trustees, general partners, owner, or supervisory board.

- An opportunity to expand the application of internal control beyond financial reporting to other forms of reporting, operations, and compliance objectives
- An opportunity to eliminate ineffective, redundant, or inefficient controls that provide minimal value in reducing risks to the achievement of the entity's objectives

For external stakeholders of an entity and others that interact with the entity, application of this *Framework* provides:

- Greater confidence in the board of directors' oversight of internal control systems
- Greater confidence regarding the achievement of entity objectives
- Greater confidence in the organization's ability to identify, analyze, and respond to risk and changes in the business and operating environments
- Greater understanding of the requirement of an effective system of internal control
- Greater understanding that through the use of judgment, management may be able to eliminate ineffective, redundant, or inefficient controls

Internal control is not a serial process but a dynamic and integrated process. The *Framework* applies to all entities: large, mid-size, small, for-profit and not-for-profit, and government bodies. However, each organization may choose to implement internal control differently. For instance, a smaller entity's system of internal control may be less formal and less structured, yet still have effective internal control.

The remainder of this Executive Summary provides an overview of internal control, including a definition, categories of objective, description of the requisite components and associated principles, and requirement of an effective system of internal control. It also includes a discussion of limitations—the reasons why no system of internal control can be perfect. Finally, it offers considerations on how various parties may use the *Framework*.

Defining Internal Control

Internal control is defined as follows:

Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

This definition reflects certain fundamental concepts. Internal control is:

- *Geared to the achievement of objectives* in one or more categories—operations, reporting, and compliance
- *A process* consisting of ongoing tasks and activities—a means to an end, not an end in itself
- *Effected by people*—not merely about policy and procedure manuals, systems, and forms, but about people and the actions they take at every level of an organization to affect internal control
- *Able to provide reasonable assurance*—but not absolute assurance, to an entity's senior management and board of directors
- *Adaptable to the entity structure*—flexible in application for the entire entity or for a particular subsidiary, division, operating unit, or business process

This definition is intentionally broad. It captures important concepts that are fundamental to how organizations design, implement, and conduct internal control, providing a basis for application across organizations that operate in different entity structures, industries, and geographic regions.

Objectives

The *Framework* provides for three categories of objectives, which allow organizations to focus on differing aspects of internal control:

- *Operations Objectives*—These pertain to effectiveness and efficiency of the entity's operations, including operational and financial performance goals, and safeguarding assets against loss.
- *Reporting Objectives*—These pertain to internal and external financial and non-financial reporting and may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the entity's policies.
- *Compliance Objectives*—These pertain to adherence to laws and regulations to which the entity is subject.

Components of Internal Control

Internal control consists of five integrated components.

Control Environment

The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization. The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its governance oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control.

Risk Assessment

Every entity faces a variety of risks from external and internal sources. Risk is defined as the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed.

A precondition to risk assessment is the establishment of objectives, linked at different levels of the entity. Management specifies objectives within categories relating to operations, reporting, and compliance with sufficient clarity to be able to identify and analyze risks to those objectives. Management also considers the suitability of the objectives for the entity. Risk assessment also requires management to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.

Control Activities

Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.

Information and Communication

Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. Management obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of other components of internal control. Communication is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the organization, flowing up, down, and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information, and it provides information to external parties in response to requirements and expectations.

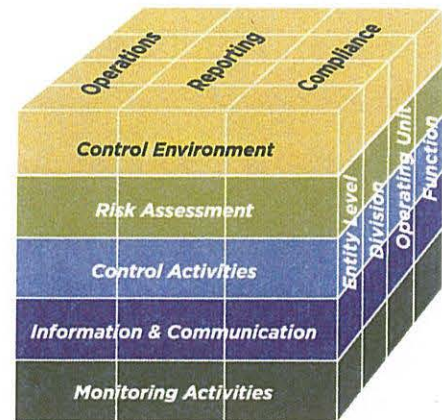
Monitoring Activities

Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to effect the principles within each component, is present and functioning. Ongoing evaluations, built into business processes at different levels of the entity, provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations. Findings are evaluated against criteria established by regulators, recognized standard-setting bodies or management and the board of directors, and deficiencies are communicated to management and the board of directors as appropriate.

Relationship of Objectives and Components

A direct relationship exists between *objectives*, which are what an entity strives to achieve, *components*, which represent what is required to achieve the objectives, and the *organizational structure* of the entity (the operating units, legal entities, and other). The relationship can be depicted in the form of a cube.

- The three categories of objectives—operations, reporting, and compliance—are represented by the columns.
- The five components are represented by the rows.
- An entity’s organizational structure is represented by the third dimension.



Components and Principles

The *Framework* sets out seventeen principles representing the fundamental concepts associated with each component. Because these principles are drawn directly from the components, an entity can achieve effective internal control by applying all principles. All principles apply to operations, reporting, and compliance objectives. The principles supporting the components of internal control are listed below.

Control Environment

1. The organization² demonstrates a commitment to integrity and ethical values.
2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

² For purposes of the *Framework*, the term “organization” is used to collectively capture the board, management, and other personnel, as reflected in the definition of internal control.

Risk Assessment

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.
9. The organization identifies and assesses changes that could significantly impact the system of internal control.

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
11. The organization selects and develops general control activities over technology to support the achievement of objectives.
12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Information and Communication

13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
15. The organization communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring Activities

16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Effective Internal Control

The *Framework* sets forth the requirements for an effective system of internal control. An effective system provides reasonable assurance regarding achievement of an entity's objectives. An effective system of internal control reduces, to an acceptable level, the risk of not achieving an entity objective and may relate to one, two, or all three categories of objectives. It requires that:

- Each of the five components and relevant principles is present and functioning. "Present" refers to the determination that the components and relevant principles exist in the design and implementation of the system of internal control to achieve specified objectives. "Functioning" refers to the determination that the components and relevant principles continue to exist in the operations and conduct of the system of internal control to achieve specified objectives.
- The five components operate together in an integrated manner. "Operating together" refers to the determination that all five components collectively reduce, to an acceptable level, the risk of not achieving an objective. Components should not be considered discretely; instead, they operate together as an integrated system. Components are interdependent with a multitude of interrelationships and linkages among them, particularly the manner in which principles interact within and across components.

When a major deficiency exists with respect to the presence and functioning of a component or relevant principle, or with respect to the components operating together in an integrated manner, the organization cannot conclude that it has met the requirements for an effective system of internal control.

When a system of internal control is determined to be effective, senior management and the board of directors have reasonable assurance, relative to the application within the entity structure, that the organization:

- Achieves effective and efficient operations when external events are considered unlikely to have a significant impact on the achievement of objectives or where the organization can reasonably predict the nature and timing of external events and mitigate the impact to an acceptable level
- Understands the extent to which operations are managed effectively and efficiently when external events may have a significant impact on the achievement of objectives or where the organization can reasonably predict the nature and timing of external events and mitigate the impact to an acceptable level
- Prepares reports in conformity with applicable rules, regulations, and standards or with the entity's specified reporting objectives
- Complies with applicable laws, rules, regulations, and external standards

The *Framework* requires judgment in designing, implementing, and conducting internal control and assessing its effectiveness. The use of judgment, within the boundaries established by laws, rules, regulations, and standards, enhances management's ability to make better decisions about internal control, but cannot guarantee perfect outcomes.

Limitations

The *Framework* recognizes that while internal control provides reasonable assurance of achieving the entity's objectives, limitations do exist. Internal control cannot prevent bad judgment or decisions, or external events that can cause an organization to fail to achieve its operational goals. In other words, even an effective system of internal control can experience a failure. Limitations may result from the:

- Suitability of objectives established as a precondition to internal control
- Reality that human judgment in decision making can be faulty and subject to bias
- Breakdowns that can occur because of human failures such as simple errors
- Ability of management to override internal control
- Ability of management, other personnel, and/or third parties to circumvent controls through collusion
- External events beyond the organization's control

These limitations preclude the board and management from having absolute assurance of the achievement of the entity's objectives—that is, internal control provides reasonable but not absolute assurance. Notwithstanding these inherent limitations, management should be aware of them when selecting, developing, and deploying controls that minimize, to the extent practical, these limitations.

Using the *Internal Control—Integrated Framework*

How this report can be used depends on the roles of the interested parties:

- *The Board of Directors*—The board should discuss with senior management the state of the entity's system of internal control and provide oversight as needed. Senior management is accountable for internal control and to the board of directors, and the board needs to establish its policies and expectations of how members should provide oversight of the entity's internal control. The board should be apprised of the risks to the achievement of the entity's objectives, the assessments of internal control deficiencies, the management actions deployed to mitigate such risks and deficiencies, and how management assesses the effectiveness of the entity's system of internal control. The board should challenge management and ask the tough questions, as necessary, and seek input and support from internal auditors, external auditors, and others. Sub-committees of the board often can assist the board by addressing some of these oversight activities.
- *Senior Management*—Senior management should assess the entity's system of internal control in relation to the *Framework*, focusing on how the organization applies the seventeen principles in support of the components of internal control. Where management has applied the 1992 edition of the framework, it should first review the updates made to this version (as noted in Appendix F of the *Framework*), and consider implications of those updates to the entity's

system of internal control. Management may consider using the *Illustrative Tools* as part of this initial comparison and as an ongoing evaluation of the overall effectiveness of the entity's system of internal control.

- *Other Management and Personnel*—Managers and other personnel should review the changes made to this version and assess implications of those changes on the entity's system of internal control. In addition, they should consider how they are conducting their responsibilities in light of the *Framework* and discuss with more senior personnel ideas for strengthening internal control. More specifically, they should consider how existing controls affect the relevant principles within the five components of internal control.
- *Internal Auditors*—Internal auditors should review their internal audit plans and how they applied the 1992 edition of the framework. Internal auditors also should review in detail the changes made to this version and consider possible implications of those changes on audit plans, evaluations, and any reporting on the entity's system of internal control.
- *Independent Auditors*—In some jurisdictions, an independent auditor is engaged to audit or examine the effectiveness of the client's internal control over financial reporting in addition to auditing the entity's financial statements. Auditors can assess the entity's system of internal control in relation to the *Framework*, focusing on how the organization has selected, developed, and deployed controls that affect the principles within the components of internal control. Auditors, similar to management, may use the *Illustrative Tools* as part of this evaluation of the overall effectiveness of the entity's system of internal control.
- *Other Professional Organizations*—Other professional organizations providing guidance on operations, reporting, and compliance may consider their standards and guidance in comparison to the *Framework*. To the extent diversity in concepts and terminology is eliminated, all parties benefit.
- *Educators*—With the presumption that the *Framework* attains broad acceptance, its concepts and terms should find their way into university curricula.

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MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim District General Manager

SUBJECT: Review, discuss, and possibly provide direction for the next step in the process to revise Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District which includes but is not limited to setting a public hearing date for February 26, 2020

STRATEGIC PLAN: Long Range Principle 4 – Service
Long Range Principal 6 – Communication

DATE: January 13, 2020

I. RECOMMENDATIONS

That the Board of Trustees review, discuss the presented redline version of Ordinance 7 based upon the outlined changes presented December 11, 2019; and provide direction to Staff to proceed with next steps in the process of making administrative revisions to Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District, which includes but is not limited to setting a public hearing date and agenda item at a future meeting. If acceptable, Staff recommends a hearing date for the second meeting in February (February 26, 2020).

II. DISTRICT STRATEGIC PLAN

Long Range Principle 4 – Service
– Provide well defined customer centric service levels consistent with fiscal goals and community expectations.

Long Range Principal 6 – Communication
– Promote transparency in all areas including finance, operations, and public meetings.

III. BACKGROUND

At the March 28, 2019, Board of Trustees workshop, the Board of Trustees undertook a conversation about Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District. There was additional Board discussion regarding Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District, at the April 10, 2018 and May 1, 2019 Board of Trustee meetings.

The Trustees prioritized the following issues as future discussion items for the possible modification of Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District:

- No longer combine beach policies and regulations with other recreational policies and regulations;
- Remove sections which are outdated or are purely administrative in nature;
- Review punch card policies; and
- Review guest access policies and procedures

As part of the public input process for these potential modifications, there was a public forum on Beach policies and procedures on July 24, 2019. This was the second public meeting regarding the beaches in twelve months. A very well attended "Beaches 101" public meeting was held on July 11, 2018. A recording of the meeting along with the supporting materials is available on the District's website.

At the December 11, 2019 meeting a list of administrative changes by section or item were presented in detail for review by the Board and to expose the intent of those changes to the Ordinance.

IV. FINANCIAL IMPACT AND BUDGET

None at this time.

Review, discuss, and possibly
provide direction on next steps to
revise Ordinance 7, An Ordinance Establishing Rates, Rules
and Regulations for Recreation Passes and Recreation
Punch Cards by the Incline Village General Improvement District
which includes but is not limited to setting a public hearing date for February 26, 2020

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January 13, 2020

V. ALTERNATIVES

Board of Trustees can direct Staff to not make revisions to Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District.

VI. COMMENTS

Time is of the essence to act for the changes to be implemented by summer 2020.

Ordinance 7
As it stands today
January 22, 2020

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

Ordinance 7
Redline Version
January 22, 2020

ORDINANCE NO. 7
*(As amended June 13, 1991; November 17, 1993;
May 8, 1995; June 12, 1995; March 25, 1998, TBD 2020)*

**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, TBD 2020)*

**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 current as of by~~ October 1 (no delinquency shown through the most recent tax year ending June 30) of the year billed in order to continue receiving recreation privileges as determined by the Washoe County Treasurer.

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~~ electronic formats, 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~~electronic formats, 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~~electronic formats, 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~~electronic formats, 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 golf, 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 golf, ski, tennis facilities, and 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~~not beyond the person's eighteenth (18) birthday. The Recreation Pass of any person older than eighteen (18) will have 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~~June 1. All Recreation Punch Cards expire on the first ~~April 30th~~May 31st 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 an ~~\$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~~All Recreation Passes can be used to obtain seasonal and 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 (~~4~~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-untilpurchase until the first ~~April 30th~~ May 31st 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.

~~71.72~~

ARTICLE IX. AMENDMENTS

~~72.73~~ **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~~TBD 2020.

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
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

MEMORANDUM

TO: Board of Trustees

FROM: Indra S. Winqest
Interim District General Manager

SUBJECT: Case No. CV18-01564 Mark E. Smith v. IVGID
Review, discuss and possibly approve providing Interim District General Manager Winqest with a not-to-exceed \$7,500.00 in legal fees and costs to cover fees that were not budgeted as of the last update (Requesting Staff Member: Interim District General Manager Indra Winqest)

DATE: January 15, 2020

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve providing Interim District General Manager Winqest with a not-to-exceed \$7,500.00 in legal fees and costs to cover fees that were not budgeted as of the last update in Case No. CV18-01564 Mark E Smith v. IVGID.

II. EXECUTIVE SUMMARY

Over the past couple of months, there has been a meeting between Mr. Smith and Interim District General Manager Winqest to discuss settlement of this case. A tentative verbal offer was made and it has been shared with the Board of Trustees during a litigation meeting. Following this meeting, Mr. Smith's attorney has filed several motions that require a response from the District. Presently, there has been no money authorized by the Board and thus this request.

III. ALTERNATIVES

Do not approve this recommendation which causes no response to any motion filed and allow the District to work through those consequences.

IV. COMMENTS

This case, which started out as a request for public records, has now morphed into a case about attorney/client privilege. It is vital that the District do everything within its powers to protect this privilege. As a reminder, Mr. Smith brought this suit against the District thus we are the defendant in this matter and it is paramount that we be an active defendant. Mr. Beko is our attorney and he understands the details of this case.

MEMORANDUM

TO: Board of Trustees

FROM: Indra S. Winquest
Interim District General Manager

SUBJECT: Case No. CV18-01564 Mark E. Smith v. IVGID
Review, discuss and possibly approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization) (Requesting Staff Member: Interim District General Manager Indra Winquest).

DATE: January 16, 2020

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization).

II. EXECUTIVE SUMMARY

Following the last update provided to this Board on June 12, 2019 (see attached memorandum) by Mr. Beko, his firm has incurred fees of not to exceed \$13,000 above the fees authorized by the IVGID Board of Trustees. This was due to a plaintiff filing. As a result of this action, a reply was mandated and the firm undertook that effort on behalf of the District. When Mr. Beko came before this Board in June of 2019, he didn't anticipate this action by the Plaintiff.

III. STATUS REPORT

The status of this litigation is the court has yet to issue a final ruling. There have been several motions filed by the Plaintiff and motions have been filed by our office in response.

IV. ALTERNATIVES

Do not approve the recommendation.

V. 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.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
Interim District General Manager

FROM: Susan Herron, CMC
District Clerk

SUBJECT: Election of Board of Trustees Officers for the 2020 Term
– Effective January 23, 2020

DATE: January 6, 2020

In accordance with IVGID's Policy 3.1.0, Section 0.11 as follows:

0.11 Officers of the Board. The officers of the Board shall be elected as provided by Nevada Revised Statutes 318.085 and shall consist of a Chair of the Board, Vice Chair of the Board, Treasurer, and Secretary. The term of office shall be for one (1) year or until a reorganization of the Board is required.

District Clerk Susan Herron will conduct the elections of officers and the term of the elected officers will be January 23, 2020 through December 31, 2020.

District Clerk Herron will open the agenda item by stating that the nominations for officers of the Board is now open and that she would like to begin with the position of Board Chair. Nomination(s) from the Board members will be taken and it is acceptable for a Board member to nominate themselves to an officer position. It is also acceptable for a Board member to nominate a slate of officers. Once all nomination(s) are made, District Clerk Herron will close the nomination(s) and call for a vote on each nomination(s). This process is repeated for each officer position. The exception would be if a slate of officers is nominated.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
Interim District General Manager

FROM: Susan Herron, CMC
District Clerk

SUBJECT: Review, discuss and possibly appoint Audit Committee
Members for the 2020 Term – Effective January 23, 2020

DATE: January 15, 2020

In accordance with IVGID's Policy 15.1.0 (attached), the Board of Trustees shall appoint no less than three members to the Audit Committee. Those members of the committee shall remain in place until successors are appointed. Members of the Audit Committee should be current Board members. As a general rule, no one having managerial responsibilities that fall within the scope of the audit should serve as a committee member. Presently, the Board of Trustees has two members serving on the Audit Committee – they are Trustee Kendra Wong and Trustee Peter Morris. The Audit Committee is presently without a Chair. Therefore, the Audit Committee membership should be reviewed at this time.



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. As required by Nevada Revised Statute (NRS) 354.624, each local government shall provide for an annual independent audit of all of its financial statements.

POLICY: Each year, the Board of Trustees may establish the need for an Audit Committee and appoint no less than three members to such committee. Members of the Committee shall remain in place until successors are appointed. Members of the Audit Committee should be current Board members. As a general rule, no one having managerial responsibilities that fall within the scope of the audit should serve as a committee member.

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 should not engage in any work that will result in billing a fee, unless authorized by the Audit Committee. This includes response to items brought forward by any internal or external source. This does not preclude the work they must perform to meet their professional responsibility.

2.0 Scope of Audit Committee's authority and responsibilities

The Audit Committee at a minimum shall have the following authority and responsibilities:

- 2.1 To select, evaluate and, if necessary, replace the District's independent auditor, and to approve all audit engagement fees and terms, subject to Board of Trustees approval.

Adopted November 15, 2017



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.2 To review, with management and the auditors, the District's annual auditor's planning, process and engagement decisions.
- 2.3 To review procedures for the receipt, retention, and treatment of complaints received by the District regarding accounting, internal accounting controls, auditing matters, or suspected fraud. Review any submissions that have been received, monitor their current status, and the document handling or disposition.
- 2.4 To review confidential and/or anonymous submission by the District's employees of concerns regarding questionable accounting or auditing matters, or suspected fraud that cannot be handled by other appropriate levels of management.
- 2.5 The Audit Committee must meet annually to consider the appointment of the District's Auditor, receive the Comprehensive Annual Audit Report and related communications. Also, if necessary to consider circumstances that arise beyond the scope of the Audit Engagement letter that could result in additional fees, and otherwise as determined the Audit Committee Chair. Meetings may be combined with regularly scheduled Board of Trustees meetings, or may be held more frequently as circumstances may require. The Audit Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
- 2.6 To submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit.
- 2.7 To review and reassess, the adequacy of the Audit Committee responsibilities and recommend any proposed changes to the Board of Trustees for approval.
- 2.8 To appoint a Chair for the Audit Committee who will act as the primary contact with the independent auditor and District staff.

Adopted November 15, 2017



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.9 All members of the Audit Committee should possess or obtain a basic understanding of governmental financial reporting and auditing.

- 2.10 The Audit Committee will keep adequate minutes of its meetings and will report on its actions and activities at the next regular meeting of the District's Board of Trustees. Audit Committee members will be furnished with copies of the minutes of each Committee meeting.

- 2.11 The Audit Committee is governed by the same open meeting laws NRS 241 as long as three current District Board of Trustees members are on the Audit Committee and in attendance at the Audit Committee meetings.

MINUTES

REGULAR MEETING OF DECEMBER 11, 2019 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Wednesday, December 11, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

Recognition of the Incline Village High School Girls' Golf Team was led by Chairwoman Kendra Wong. The audience responded with a congratulatory round of applause.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

On roll call, present were Trustees Peter Morris, Tim Callicrate, Phil Horan (resigned), Matthew Dent and Kendra Wong

Also present were District Staff Members Director of Public Works Joe Pomroy, Director of Human Resources Dee Carey, Director of Golf/Community Services Darren Howard, Diamond Peak Ski Resort General Manager Mike Bandelin, Engineering Manager Nathan Chorey, and Director of Finance Gerry Eick.

Members of the public present were Tony Lillios, Karen Gotelli, Mike Hess, Margaret Martini, Pete Todoroff, Judith Miller, Aaron Katz, Steve Dolan, Gail Krolick, Jack Dalton, Kathleen Watty, and others.

(24 individuals in attendance at the start of the meeting which includes Trustees, Staff, and members of the public.)

Chairwoman Wong said that former Trustee Phil Horan moved out of his home on Monday, December 9, 2019 and tendered his resignation on that date. Chairwoman Wong said that she appreciated him and all that he added to the Board. Trustee Callicrate said that he echoes Chairwoman Wong's sentiments and publicly thanked former Trustee Horan for his service and even though there were some heated exchanges, former Trustee Horan contributed quite a bit so thanks for a good job. Trustee Morris said thank you to former Trustee Horan and all that he has done for the community and for him. Former Trustee Horan was a fabulous

Trustee and he will be sorely missed. Trustee Dent thanked former Trustee Horan for his service.

C. PUBLIC COMMENTS

Aaron Katz said that he has two items, written statements on both, and that he is objecting to Staff's response to his public records request and that if he doesn't get what he wants by Friday, he will be filing a complaint with the Attorney General. Mr. Katz then said that he would like to talk about Mr. Beko's request to go after him and stated that this was the third attorney to look at this. Many people think that just because you win you get attorney fees; not true. There is a specific statute/rule and you don't have it. Where did Mr. Beko share with you the reason to seek additional fees? Is there a statute in the Federal regulations, well, he has three cases where you can't get them and that this would be creating new law doing what he is proposing and you will spend more than twenty five thousand dollars so this should be considered very carefully. There are potential costs and penalties if the District doesn't prevail so this would be opening us all to that. Further, this is chilling to the community and Mr. Katz read an excerpt from a document dated May 18 written by Devon Reese, Esq. Mr. Katz closed by saying that the District has attorneys so why didn't they try to come to some resolution, he thinks it is because their intent was not to end this case.

Judith Miller read from a written statement which is attached hereto.

Margaret Martini read from a written statement which is attached hereto.

Pete Todoroff said that he just wanted to mention that there is a Citizen Advisory Board meeting tomorrow, starting at 5:30 p.m., at the Parasol Building and it is about short term rentals so anyone interested should attend.

Mike Hess read from a written statement which is attached hereto.

Tony Lillios read from a written statement which is attached hereto.

D. APPROVAL OF AGENDA *(for possible action)*

Chairwoman Wong said that she would like to remove General Business Items H.10 and H.11 in their entirety from this agenda; there were no objections.

Trustee Dent said that he would like to move Consent Calendar Item G.2. to after General Business Item H.1.

Trustee Callicrate said that he would like to have General Business Item H.1. removed as he thinks that the District can get a thirty day extension; Chairwoman Wong asked if we could leave the item where it is and then talk about that during the discussion of that item. Trustee Callicrate agreed with that plan.

Hearing no further changes, Chairwoman Wong approved the agenda as amended.

E. DISTRICT STAFF UPDATE (for possible action)

E.1. Interim District General Manager Indra Winqest

Interim District General Manager Winqest went over his submitted report.

Trustee Callicrate said that he noticed the item on the District Records Retention Schedule and that he didn't recall that coming before this Board and asked if it is something that should have been brought to this Board before it is finalized. Interim District General Manager Winqest said that once we get the draft back from the State of Nevada, Staff will be bringing it before the Board. Trustee Callicrate said that he would like the Board to see what is being put forth as we are going to be legally bound by this schedule and that he would like the Board to have some input because this has gotten us into some issues in the past so the Board needs to see it before we get to the final draft. Chairwoman Wong said that once we get the feedback from the State of Nevada, we can agendaize it as a Board item and then we can look at it.

Trustee Dent said, regarding the beach bar, that the Board has received a ton of e-mails about the services down there. Their contract is up so it is imperative that we do something there. We need to tell Incline Spirits something and we should probably extend that contract. Given that we have construction in the next two to three years, perhaps we should go out to bid when we know what the next facilities look like We need to do something there as we have heard from the community so it is time for us to act on that as well as bring back a bidding policy to the Board.

Interim District General Manager Winqest said thank you to everyone who has written an e-mail about Incline Spirits and stated that they have done a fantastic job. In 2021, we will not have a Burnt Cedar pool and in 2022 we will start replacement of the building at Incline Beach. He has been in contact

with others and he will be bringing back his plan on January 15. On the policy, the Board has given us direction so we have our marching orders, and Staff will start working on that for these types of contracts.

F. REPORTS TO THE BOARD OF TRUSTEES*

There were no reports to the Board of Trustees.

G. CONSENT CALENDAR (for possible action)

G.1. Review, discuss and possibly adopt the District Boundary Map as presented by the Washoe County Registrar of Voters – Map dated April 1, 2019

G.2. Review, discuss and possibly approve the designation of Audit Firm for Audit Services for Fiscal Year Ending June 30, 2020 – Eide Bailly, LLP at a cost of \$58,500 (the last year of a five year contractual obligation) (Requesting Trustee: Chairman of the Audit Committee Phil Horan) (*moved to General Business Item H.1.a.*)

Trustee Morris made a motion to approve the Consent Calendar as amended. Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, hearing none, called the question – the motion was passed unanimously.

H. GENERAL BUSINESS (for possible action)

H.1. Review, discuss and possibly approve the Presentation and Acceptance of June 30, 2019 Comprehensive Annual Financial Report including an Unmodified Report by the District's Auditor (Requesting Staff Member: Director of Finance Gerry Eick)

Chairwoman Wong said that now is the time to have the discussion about tabling this item.

Trustee Callicrate said that he would like to table this item until we have a full Board and that the District can easily get a thirty day extension which is an opportunity to address any concerns. Chairwoman Wong asked Staff to weigh in on the State law/requirements. Director of Finance Gerry Eick said that there is a requirement, under the Nevada Revised Statutes, that within

thirty days of receipt of the audit report, from the auditors, this Board must consider it or ask for an extension. The State of Nevada will gladly grant a thirty day extension and will consider a second extension of thirty days but won't go any further than that. Trustee Morris said that he has no problem with delaying however by delaying the presentation, it will be after our Director of Finance's retirement date and that he thinks it is important for him to be here to present it and he doesn't want that to be an issue. Director of Finance Eick said that he will gladly attend another meeting. Interim District General Manager Winqest said that he is not comfortable presenting this audit report this year but we can make that happen. Chairwoman Wong said that it is likely that the District will need both of those extension. Director of Finance Eick said he will submit them on behalf of the District. Chairwoman Wong said she is okay with pushing this out and that if anyone has a problem, she would encourage them to schedule a meeting with our Director of Finance and/or Eide Bailly so as to get their issues resolved prior to our next meeting.

H.1.a. Review, discuss and possibly approve the designation of Audit Firm for Audit Services for Fiscal Year Ending June 30, 2020 – Eide Bailly, LLP at a cost of \$58,500 (the last year of a five year contractual obligation) (Requesting Trustee: Chairman of the Audit Committee Phil Horan) *(moved from Consent Calendar Item G.2.)*

Director of Finance Eick said that the Audit Committee today considered this question and passed a unanimous motion to recommend it to this Board.

Trustee Dent said, in the past, we have discussed internal controls and how discussed how the auditor doesn't look at any of our internal controls. What is your recommendation for having a third party look at the internal controls to put to rest any concerns. Director of Finance Eick said that it is not that they don't, they actually consider them quite a bit however it doesn't result in a report. You can ask someone to look at them and give you a report and given the number of questions and concerns out there, it is something that you should look at and you need to give it a focus; define the focus and specify the area you want to look at. His recommendation would be to explore the idea of having an internal control review and that rather than saying "all", identify a particular area of concern. The Board will have an opportunity to consider this next year because you are going out to a request for proposal process so you could expose this to other firms. Eide Bailly could do it and may be able to offer a very efficient way to do it. If this Board

says that they want to have one done, the Board needs to define it and that should start in January or February. Finding somebody, while agreeing on the scope and value of doing it, should be no problem. Chairwoman Wong said that she is not in favor of having another firm do it because she doesn't want to pay two firms to do the same work as that would be a waste of resources financially as well as Staff resources. We can build that into our services with Eide Bailly and ask them for a quote in addition to their audit fees. Trustee Dent said that he doesn't know if he wants Eide Bailly to do this work as he would like to have a new perspective and someone not close to what we are doing. Director of Finance Eick said that the Board should first figure out what areas you want to look at and that frankly there could be an advantage with familiarity and a disadvantage with familiarity. Additionally, some firms are better at some tasks than others so you want to keep your options open. Interim General Manager Winquest said that he fully supports an internal control audit as there are a lot of concerns from the community and while he is very confident that we have internal controls in place, nothing but good can come out of this. Whoever we hire must be credible to the community and, with no offense to Eide Bailly as he knows they can do it, we really need to pay attention to what Staff is saying. The Board needs to put together a scope of services and then get the best we can based on that scope of work; he supports this. Chairwoman Wong said she would like to agendaize a scope of services for the February meeting which would give the Board enough time to look at it and then include it in the 2020/2021 budget as well as time to start looking at firms and then budget for the following fiscal year. Trustee Dent asked if it could be on the early February meeting schedule and then asked how critical was it for us to approve this tonight. Director of Finance Eick said that the Board can approve it in March and that it was done during this time for efficiency. Trustee Morris said that the road to hell is always paved with good intentions and that he doesn't want us to be sitting here in February with nothing so we need to have a skeleton scope of work as the Board doesn't know all the internal controls and he would appreciate that narrowing. Director of Finance Eick said that internal control is reviewed as a regular part of the audit process and there are some general categories and, as an example, one would be cash as investments. Staff can come up with a skeleton with the topics that are standard to the industry which is in broad categories and then beyond that it would be important for the Board to drill down. How we report capital projects, if the Board really wants to go there, you need to tell us what our controls are on estimating capital projects and the Board would need to say that rather than capital assets because it has five or six subheadings. Staff can try to help to get it focused as it is a valid conversation and that

can be identified from professional literature. Chairwoman Wong said that typically it is broad so you can have at the start which then revolves around the process items and then there is operational review. There are different ways to look at it too. Director of Finance Eick said that there is a national standard that has set out a national standard which includes topics, processes, and operational effectiveness. We need to help the people who will be doing the work. Trustee Dent asked if this could be an item on the January 15 agenda. Director of Finance Eick said that Staff will have it ready before that date. Interim District General Manager Winquest said that this is dependent on the timing of the hiring of the new Director of Finance. Trustee Dent said he wants to start the discussion sooner rather than later. Chairwoman Wong said that the Board can start the conversation but not finalize it. Trustee Dent asked for this item to be tabled; Chairwoman Wong agreed and asked for it to be included on the March 11 agenda.

H.2. Review, discuss, comment and provide direction to Staff regarding “Popular Report” format for District Capital Improvement Projects (Requesting Staff Member: Director of Finance Gerry Eick)

Director of Finance Eick went over the submitted materials.

Trustee Dent said that he agreed on the percent complete and that he would like to have a description similar to what is included in the CAFR as he likes a number. He doesn't need to know about rolling stock however the narrative is key as it helps make sense and all of the columns are needed. Trustee Dent said that he had a separate question about the CIP report but would hold it until that review. Chairwoman Wong said, regarding percentage completion, that project completion is one thing but also because your billing typically lags, we need to clarify that column is construction and not financial. Trustee Dent said, being in construction, that the narrative provides more clarity. Director of Finance Eick said, referencing agenda packet page 145, that every project will have a status and that particularly on multi-phase projects that would be helpful. Trustee Morris said that he appreciates that discussion as he was going to bring that up. This discussion has hit both things for him, narrative and descriptive, and that there is really a need for multi-phase projects. On agenda packet page 145, Staff has given us a three by five matrix which he likes very much with some narrative on how some things are progressing. Director of Finance Eick said that he agrees on narrative and effective communication as well as doing the same on the data sheets. Trustee Dent said on the CIP report that he has been asking for this

to be brought before the Board as a standalone item to get all our questions answered. Director of Finance Eick said it was not his intention for this to be a one bite at the apple but rather to show what the current report can accomplish whilst understanding that there is an appetite for more information and an expectation for expansion. Trustee Dent asked if the plan was to see if we are okay with this report and then take last fiscal year's report and plug it into this new format. Interim District General Manager Winquest said we can do that and as far as bringing this report back, we will have a transition period so he would like to go at a pace with transition. Trustee Dent said in looking at this report annually, we budgeted seventeen million dollars and only spent nine million dollars which seems odd so he would appreciate that being brought back to the Board. Director of Finance Eick said that Staff knows the answers for all these projects on these sheets. Trustee Dent said then bring it back to the Board sooner rather than later. Interim District General Manager Winquest said that Staff can give you an update at the January 15 meeting. Chairwoman Wong asked about the first item on this sheet and what exactly is Staff trying to tell us. Director of Finance Eick said that some people want to see pieces but without the narrative and change management, it probably doesn't make sense and he then went on to explain the roof project. Trustee Dent asked for the reason of why this was broken down that way as it exceeded the General Manager's spending authority and that shouldn't have happened. Director of Finance Eick said that Staff brought the seventy seven thousand dollar contract to this Board for approval. Trustee Dent said that the reason this Board asked for this is because there was some piece that was missing and for checks and balances. Director of Finance Eick said that it would be really good if we did the part in the middle when we are doing the budget and what can we do with change management. The important thing to explain, during the budget process, is that once the Board adopts the budget, Staff has a set number and then measure how did we do against that number. If you want to talk about what we did or didn't do, that is a different style report. Trustee Dent said he agreed that it would be good to do during the budget process however we don't have enough time to do that at the budget meetings. Trustee Morris said that it may be helpful to have if this came to the Board or not and then the approved by the Board date. Director of Finance Eick said that part of our system within Accounting captures that information so there are ways to accommodate that request. Chairwoman Wong said that it makes sense to her. Trustee Morris said that he would like us to start using it as it continues to be helpful so let's get going on it. Director of Finance Eick said, as a reminder, that this is an internal document and that Staff will

not be communicating this information to the State and that the objective is to create and build understanding.

Director of Finance Eick then moved onto agenda packet page 144 and said that Staff provided sample definitions and that there was a lot of thought given to these definitions and said that it is only completed or cancelled projects that are available for reallocation. Trustee Dent asked if it was reallocation for the cart paths that came in under budget or was it expand that reallocation if that is the Board's direction understanding that the Board can reallocate. Director of Finance Eick went over the cart path project. Trustee Dent asked about the Mountain Golf Course Clubhouse project. Director of Finance Eick said he does not call it complete. Trustee Dent said okay and that he appreciates knowing that; thank you. Chairwoman Wong said that she is okay with the definitions as they stand and asked if Staff needed anything else. Director of Finance Eick said that he trying to make sure that people have ways to communicate where we are at, trying to look ahead, and that the stress test was provided because not everything is done in one year. Chairwoman Wong said that it would be great to see this report when we look at capital projects for the budget.

H.3. Review, discuss, and possibly authorize a new Capital Improvement Project 3241LI1903 for the Mountain Golf Cart Path Replacement for 2019-2020 fiscal year, Pre-Design Phase for an amount not to exceed \$161,500 by reallocation of \$161,500 from CIP Project 3242LV1899 Mountain Course Cart Fleet (Requesting Staff Member: Director of Golf/Community Services Darren Howard)

Director of Finance Eick gave an overview of the submitted materials.

Trustee Morris asked if we were making this overly complicated because the Board agreed that the money that wasn't used would go to the cart path and that was slightly larger than \$161,500. He doesn't understand why it is \$161,500 and \$163,000 because then we have around two thousand dollars that floats around so why not one project for cart paths that is \$163,000. Director of Finance Eick said that he is aware of that conversation and he doesn't disagree if the Board wants to allocate \$163,000 that is fine. He also thought he heard that the Board didn't want to look at one piece but rather have an understanding/look at the whole project without definition of the pieces or phases. Part of this effort is to communicate to the Board and the public of how we do our work and that there is sensitivity about moving

money from one project to another. This is more precise, is open to feedback, and so everyone understands the approach taken. Trustee Dent said that the one hundred and ten thousand square feet is the cart path in its entirety; has Staff gone through and done the assessment of what is really needed. Director of Finance Eick said that there is no conclusion and that this is the top of the funnel which is identifying what needs to be done. Trustee Dent said that his concern is about spending \$161,500 on design or would we be better served to find the worst part of the carts and get something done because we aren't doing it now or in a couple of months. Interim District General Manager Winquest said on agenda packet page 174 it does speak to when our Engineering Team will start the process. He knows that \$161,000 sounds like a lot of money but we need to allow our Engineering Team to do their work. They will go through and evaluate everything in order to put together a scope of work for the project. Staff can keep the Board updated and let you know the progress made as Staff would like to scope the entire project. We hope we don't spend that much and he doesn't think Staff will but Staff was asked to bring back the outer perimeters, by the Board, so we don't want to focus on the details as we have some time because everything is covered in snow. If the Board wants to put a limit on pre-design, Staff will comply. Our best interests will be served by allowing our Engineering Team to evaluate what we need to do and Staff is not going to spend \$161,000 in Engineering time. Trustee Dent asked if you plan on doing this in this fiscal year or push until summer so you won't be doing this in the middle of the golf season or is this something that can push until next fall. Director of Public Works Pomroy said if we go into the design phase, Staff will go through holes one through eighteen and we won't do this until the snow melts off. We will do the assessment/analysis and most of it would occur during golf play. We would have to do some borings to assess the conditions and we would do a full evaluation like was done in 2003 at the Championship Golf Course. Trustee Dent asked how much time do you think it will take. Director of Public Works Pomroy said it depends on if we do it in house or bring in a paving consultant. Trustee Dent asked why can't we do it in house as you are qualified. Director of Public Works Pomroy said that Staff can't do the base mapping which is a decision point. Trustee Dent said that his concern is the cost of this and that the alternative is to create this project and not authorize the money because we don't see it happening this fiscal year rather it would be at the end of the year or the first project in June so let's just create a project so we have a budgeted project and then we can figure out how much to allocate next year and how much we want to authorize for design. Chairwoman Wong said that she would like to ask a clarifying question – the impetus of this was because we had the savings,

then the funds carryover to next year, so if we don't authorize the carryover then essentially do the funds go away. Trustee Dent said we are not doing a pre-design before the end of the fiscal year rather it is a cart path project and then we add to it. Chairwoman Wong said she is fine with it. Trustee Morris said that \$161,000 sounds like a lot for pre-design and the end of the fiscal year is the end of June so he hopes to start some of this work this year and in this fiscal year which would mean late spring of 2020 and not waiting until September 2020 to start. Trustee Dent said that the cart paths are covered in snow until May, the Engineering Staff will go out there and mark it up with paint, categorize the areas and then it will go to survey at some point. It is not a priority project so we don't have to authorize this project or open up the checkbook to something we are not doing. Interim District General Manager Winquest said that the goal was to commit these funds to the Mountain Golf Course cart path project which will start in late May/early June and Staff can come back to you with a better analysis from our internal team and that when they are ready to start that effort, we have approved funds for their internal charges. The Board can make a motion tonight or reallocate the entire amount of \$166,000 plus or we can bring it back later. We just don't want to hamstring our Engineering Team when they are ready to do the work. The goal is to do them as soon as we can and Staff will be bringing back some information at the January 15 meeting. We want to make sure the timing is right especially with us going to lithium battery operated carts; we want to make sure that Staff has the funds. Director of Public Works Pomroy said that there is a current contract with Lakeside Paving to do paving work to fix some of the worst areas. We are onboard with the Board to, within the next thirty six months, to get rehabilitated cart paths; a resolution within a three year time frame.

Trustee Dent made a motion to authorize establishing a new Capital Improvement Project 3241LI1903 Mountain Golf Cart Path Replacement for an amount not to exceed \$166,395. by reallocation of \$166,395 from CIP Project 3242LV1899 Mountain Course Cart Fleet. Trustee Morris seconded the motion. Chairwoman Wong asked for any further comments, hearing none, she called the question – the motion was passed unanimously.

At 7:38 p.m., Chairwoman Wong called for a break; the Board reconvened at 7:50 p.m.

H.4. Review, discuss and possibly approve 2020 Key Rates for the Championship Golf Course, Mountain Golf Course and Resident

Play Passes (Requesting Staff Member: Director of Golf/Community Services Darren Howard)

Director of Golf/Community Services Darren Howard gave the presentation as submitted in the packet.

Trustee Dent asked if the buying the ten play pass and then upgrading to a twenty pay pass situation has been nipped; Director of Golf/Community Services Howard said yes, he has fixed that situation.

Trustee Callicrate said regarding charity tournaments and especially at the Championship Golf Course that he thought they took place in early June or in September and that any tournaments per se were usually relegated to the early and late parts of the season however it seems that there are tournaments all the time throughout the summer. Are they just tournaments in general and how many non-charity tournaments do we hold during the season because we are here to service the residents first. Director of Golf/Community Services Howard said that the charity tournaments are still held during the first part of the season and then late in the season. As far as outside tournaments go there are some small events that we do late in the afternoon and we do some club tournaments that are shotguns but those are not outside tournaments. Trustee Callicrate asked if the Hyatt was bringing in outside groups and that he was asking just to dispel those rumors. Director of Golf/Community Services Howard answered no.

Trustee Dent said that there was a sixty thousand dollar budget for trees and only ten thousand dollars was spent even though it was a fire hazard. Director of Golf/Community Services Howard said we have a ninety nine tree limit. Interim District General Manager Winquest said that we could utilize those funds and acknowledged that the Mountain Golf Course needs a lot of tree work but that there is a limit on the number of trees. He has given the direction to start budgeting more funds for brush and clearing for obvious fire prevention. Our Staff would love to talk about this for an hour or more but there is a lot that goes into this effort and going forward you are going to see more money for this kind of work.

Chairwoman Wong said that she understands that we need to go slow on a rate increase and asked if the proposed rate increase was enough to cover costs and start closing gaps. Director of Golf/Community Services Howard said that it provides a great start for us and that he is sensitive to raising it too much, too fast. He is working on a five year plan and some of that could

be a three to four percent increase for residents with one year it being in daily fees and then the following year it being in play passes and alternates. In looking at the historic records, it was proposed before but not done. That is his plan and he will come back to the Board and share how that can work for us.

Trustee Morris said that he appreciates all the analysis that Staff is doing and on agenda packet page 183, the non-resident rounds at the Championship Golf Course, you are predicting the same number of rounds in 2020 versus 2019 which is less than what we were getting and about the same per round as two years later; he is not trying to nitpick rather an observation/question. Director of Golf/Community Services Howard said he is working with the clubs and the fee structures and that he is hoping to push some of that and bolster that bottom line. Interim District General Manager Winquest said he is referring to the round mix and changing that mix a little bit as well as time periods as we are concerned about pricing and sensitivity as well as price elasticity. Trustee Morris said at the Championship Golf Course we are forecasting twenty three thousand rounds so what is the comfortable carrying capacity. Director of Golf/Community Services Howard said it is twenty thousand to twenty five thousand rounds. Trustee Morris asked about the rates/numbers of competing courses. Director of Golf/Community Services Howard said that those are the rates for this year going forward. Trustee Morris said for non-residents, we are considerably cheaper and using Edgewood as an example do you agree or disagree and why. Director of Golf/Community Services Howard said that Edgewood is a destination area where there are tons of hotels, casinos, etc. and it is much easier for them to draw to their area. We have the Hyatt so only one hotel which stays booked with people who are coming up to play golf but most to enjoy Lake Tahoe. The big concern for us is they have a lot of resources to draw from so we are looking at marketing better. We need to figure out how to get people here. Trustee Morris asked what plans that you can think of now, understanding that you are still figuring it out, that we can do with the non-resident rounds to supplement the resident rounds. Director of Golf/Community Services Howard said that we are pretty packed during the peak times so he is going to challenge our Marketing Department on how to promote the shoulder season because we are not doing a great job there and there is a lot more we can do to get more play to the shoulder seasons. Most of our residents leave right at Labor Day or shortly thereafter and that will be part of that movement to get more play in there. Trustee Morris said that he hoped that the Mountain Golf Course will get more rounds as well as we definitely want to see the non-residents help to subsidize the residents.

Trustee Dent said on the play pass rates that Staff is projecting to raise them by five percent yet we haven't done anything there is five years so why aren't they higher and he understands he is raising his own rate. Director of Golf/Community Services Howard said that he didn't want to go crazy the first year but if we think the market can bear that then ten percent is still a pretty good deal. Trustee Dent said that is sixty to seventy dollars per round and he thinks there is a way to improve there and that a bump there would not affect anyone there. Also, what type of cancellation policy do we have or scheduled backups for cancellations. Do we lose a lot of revenue on this side – what is the plan? Director of Golf/Community Services Howard said that this was something that he identified this year. We have a stated policy but we have no way to capture somebody that cancels a tee time because we don't require a credit card to book a time and that this is something that he is going to work on as capturing that information is a real issue. We need to solve the back end first and his main concern is to try and get a real cancellation policy and reservation policy with non-residents and guests. The issue has been identified and he is concerned about it.

Trustee Callicrate said that this is the first that he realized that it wasn't happening and while he is for supporting the golfing community there should be no ifs, ands, or buts, that we should require a credit card deposit so put as much energy in that arena as you can because knowing about cancellations allow us to reallocate that spot. Director of Golf/Community Services Howard said thank you and duly noted.

Trustee Dent said that we have not raised the rates in a long time and asked if it is the same thing with meals and have we upped those rates. Director of Golf/Community Services Howard said that he has met with two of the clubs already and they understand a two or three dollar rate increase and it is our plan to do that increase as increases in food hasn't been touched in eight years. Trustee Dent said, regarding maintenance and equipment costs, in utilizing battery power rather than battery carts, what are the savings from using gas on maintenance versus battery carts at the Mountain Golf Course. Director of Golf/Community Services Howard said that is a great comment and that Staff looks at that all the time. For maintenance, they are trying to move to lithium and then figure out how that can work on maintenance equipment. It is moving that way on vehicles that move them around. Any replacements in the future, we will go with lithium because it lasts all day and there are less maintenance costs because there is no fuel. Staff is with you but not totally there yet. Trustee Dent said he is not for experimenting

with products but have that in the back of your mind when evaluating future purchases. For non-resident rates, if you are changing the times that non-residents can play, are you charging too much at the Championship Golf Course at two hundred dollars because it seems like it is going the other as it is a volume thing and then we need to talk about service. Director of Golf/Community Services Howard said he needs to totally understand what we can withstand and that he thinks the increases as proposed are okay and going forward, they will be too high so he doesn't want to go there yet. This could backfire next year so we made enough of an increase that we are safe and we will keep evaluating it. We are going to see if some of those rounds are moved to the prime times and moving to our discount time. We need to know if they are moving to that time because it is cheaper or are they playing when it is the first time they can play. Trustee Dent said it is good that Staff has got a handle on this and adjust all we can. Touching on services levels, during the budget, we need to figure out where we can cut because there is an opportunity to cut there. So get with the clubs and figure that out while not having unintended consequences as we need to discuss that with our future budgeting. Director of Golf/Community Services Howard said that Staff is looking at this item and that it is heavily on their minds as we want to do so without losing total service and while trying to figure out where that line is and that dollar amount can be; appreciate the question.

Trustee Dent asked if it was Staff's recommendation to have a ten percent (10%) increase on the play passes. Interim District General Manager Winquest said the Board can make their motion with a ten percent (10%) increase and recapped that the way in which folks were purchasing a ten play pass and then upgrading to a twenty play pass to pay less, Staff is doing away with that. The current model isn't sustainable so if the Board wants to move the needle to get to what a digestible subsidy is, Staff has struggled with that, then we need to determine who we are at Golf. If we weren't discounting residents and charging rack rates, our golf courses would be throwing off cash. We need to take a look at inflationary increases and if that is three percent then it should be a few points above that. Staff is confident that these rate increases will help with the offset. As to the cancellation policies, Staff is navigating through that process and working with our software experts such that the District will create a firm cancellation policy that will apply to residents as well that will help move the needle. The present challenge is to automate that process. We have looked at other golf courses and they raise their rates every year to be sustainable. This needs to be a hot topic of conversation over the next five years. The Director of Golf/Community Services is bringing back a plan and Staff is paying attention to

expenses as it is one of the things that we have been looking at is the shoulder season services. Trustee Dent asked that Staff be bold and move swiftly.

Trustee Dent made a motion to approve 2020 Key Rates, as presented, for the Championship Golf Course, Mountain Golf Course and adding a 10% Resident Play Pass increase as recommended by Staff. Trustee Callicrate seconded. Chairwoman Wong asked for further comment, hearing none, she called the question – the motion was passed unanimously.

H.5. Review, discuss, and possibly direct to develop operational alternatives to the Guest Access Ticket process (*Discussion Only*) (Requesting Staff Member: Interim District General Manager Indra Winquest)

Interim District General Manager Winquest gave his presentation.

Chairwoman Wong said that pay to play has got to be on the table just for the pure fact that it is going to stop wasting time. An owner will have to decide if that have guests for five days do they want to pay for them to go to the beaches every day. Having the transactions paid for in advance at the Recreation Center counter instead of at the beach gates is the direction we should be going. Interim District General Manager Winquest said that Staff is not going to limit the amount of transactions and get a return on investment on the staff time spent. Staff is recommending putting it back on the owner and how much access they are granting. By leaving the ticket(s) in will call, that is a paid ticket, is the model that would put this back on them and this ties in with what we are heaving from our community about beach visits. It is more about efficiency and a return on the investment of time.

Trustee Callicrate said that this is a great first step and that he has been one of those people, for the last thirty five years, that has said it is kind of out of control. He would like to talk about a possible cap and not getting to buy unlimited punch cards as well as tightening up pay to play. He also realizes that we don't have unlimited punch cards but it will make people think and that is a good thing. Let's put the onus back on the owners and have a closer control on who is accessing our beaches because if there is abuse, then we can catch it. He appreciates this presentation and keep on with this same track.

Trustee Morris said he too is in favor of pay to play and making people aware of the access that they are giving away. He has a little reticence on putting on a cap and is hopeful that we can solve that challenge economically rather than statutorily. If guest prices keep going up and up, it will help with the numbers. Continue to think this through and come up with other ideas; he likes this and awaits more ideas.

Trustee Dent said thank you for the six page presentation as it is the shortest one for him as a Trustee. Find a system we can conform to and see what the possibilities are out there that we can work within and then bring that back to us in the first part of the year, budget for it, and let's make everyone's life a little less complicated. Interim District General Manager Winquest said that he thinks our current system may work, with some customization, so Staff will start with the Vermont system and let them wrap their heads around it. This is unique to us so we will have to for that work but there will be a return on investment. Trustee Dent asked, regarding punch cards, if there was anything we can do to adjust that system. Interim District General Manager Winquest said we first have to figure out punch cards reform. Staff has done the best they can on how to deal with it. Trustee Dent said that he appreciates the recommendation in the packet and keep doing whatever you can.

At 9:02 p.m., Chairwoman Wong called for a break; the Board reconvened at 9:15 p.m.

H.6. Review, discuss, and possibly provide direction for the next step in the process to possibly revise Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District (Requesting Staff Member: Interim District General Manager Indra Winquest)

Interim District General Manager Winquest gave an overview of the submitted materials.

Trustee Morris said, referencing agenda packet page 224, that this was the best crystallization of stripping out the administrative items and that it was absolutely perfect. He likes getting these out in other forms and revising the fees as it is time that they should be changed and updated. He thinks this is really great and totally in the right direction; all for us doing this.

Trustee Dent asked if the rates/fees can be outside of the ordinance. Interim District General Manager Winquest said yes and that Staff can make them part of the key rates or have it so increases only are brought back to the Board and that we can do that either for your approval or within the General Manager's report. Trustee Dent said that bringing it back for the Board's action is fine.

Chairwoman Wong said that it takes about five years to recover from post-traumatic syndrome when something blows up so it is great that we are revisiting these and let's get them done.

Trustee Callicrate said the last time was a good attempt but that it did go south very quickly and that this is good because it doesn't affect as many people. In the February meeting, he will have some very pointed items regarding pop-ups, etc. Thanks to Staff for your hard work.

H.7. Review, discuss and possibly approve the General Manager's job description (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong gave an overview of the submitted materials and said she made her changes with our current Interim District General Manager in mind and that the redlined version are her changes.

Trustee Dent asked, referencing agenda packet page 235, on the salary change, where did that come from. Interim District General Manager Winquest said that the Human Resources Staff did a salary comparison of all the General Manager's in the area and that is the range.

Trustee Dent said, referencing agenda packet pages 238 and 241, regarding the education and no longer required to live in Incline Village, with the forty five mile radius, the person could be someone who lives in Colfax so maybe we should change the language to "if an internal candidate who has been with the District, they can live within X miles of the District". Chairwoman Wong said she is not opposed to that and that she hopes that the Board could revisit that item. Trustee Callicrate suggested live within the Nevada state boundaries. Chairwoman Wong said that is fine.

Trustee Morris said he has one small one, referencing agenda packet page 238, on education, it says that a master's degree is strongly preferred and

asked if we have to say it is strongly preferred as that may be a barrier we don't need so he would suggest removing the word strongly.

Chairwoman Wong asked the Interim District General Manager if there were any changes he would like to see. Interim District General Manager Winquest said it is fine and that it is a bit unethical for him to ask for any changes. He does meet all the qualifications and is comfortable with the job description. A lot of people have reached out him and it is his philosophy that the Board should be making the decisions and he wouldn't do so without the Board's approval and that he does run things through the Board; this is a concern that has come up within the community. Chairwoman Wong said that the Board does have policy changes that we need to clean up. Trustee Callicrate said as long as everything is compliant with the Nevada Revised Statutes.

Trustee Morris made a motion to approve the District General Manager's Job Description as revised. Trustee Dent seconded the motion. Chairwoman Wong asked for any further comment, none were made, so she called the question – the motion was unanimously passed.

H.8. Review, discuss, revise and possibly approve the questions for Trustee Candidates (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong said that this is just a preview to give all of us a starting as we are going through the interview process and if you have other questions, we can ask them and that these are the same questions this Board used before.

Trustee Morris said that his concern was that we had a rigid structure and that this was all we could discuss and that as long as we do have the ability to ask other questions, he is good. Chairwoman Wong said that she would encourage all of the Board members to go through these questions and read through these questions versus other questions. District Clerk Susan Herron reminded the Board of the timing shown on the posted agenda and trying to stick to that schedule. Chairwoman Wong said that public comment might throw off that timing. Trustee Morris added that the Board may need to take a break.

Trustee Callicrate made a motion to approve the questions presented for the Trustee candidates. Trustee Morris seconded the motion. Chairwoman Wong asked for further comments, none were made, so she called the question – the motion was passed unanimously.

H.9. Review, Discuss, and Possibly Authorize Multiple Contracts for the Water Resource Recovery Facility Improvements Project; 2019/2020 Capital Improvement Project: Fund: Public Works; Division: Sewer; Project # 2599SS1707; Vendors: K.G. Walters Construction Co., Inc., in the amount of \$1,508,500 and Jacobs Engineering in the amount of \$60,000. and Acknowledge the additional use of \$466,500 of Utility Fund cash to complete the project (Requesting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Joe Pomroy gave an overview of the submitted materials.

Trustee Callicrate asked if this project was going to improve the odors that come down to the Mill Creek area. Director of Public Works Pomroy said it will improve them but not eliminate them. Trustee Callicrate said that there is a woman around the corner from where he lives that has asthma. Director of Public Works Pomroy said it is in the five year plan to address the fugitive odors.

Trustee Dent said that there was fifty thousand dollars that was budgeted in 2018 which wasn't included in this memorandum. This went out to bid and it is what it is. How can the Board be assured that there aren't other projects within the District that Jacobs hasn't updated their costs on equipment? Director of Public Works Pomroy said that the District has no other projects in this phase as we rejected the last one and it will get entered into the capital projects budgets for next year. Trustee Dent said this is dipping into utility fund reserves which is imperative for us to keep that in mind with the rate study and do a rate increase; this project is an example of doing that and keep it in mind for the future.

Trustee Morris made a motion to award a construction contract to K.G. Walters Construction Co., Inc. in the amount of \$1,508,500 for the Water Resource Recovery Facility Improvements Project, authorize Chair and Secretary to execute the contract with K.G.

Walters Construction Co., Inc., based on a review by General Counsel and Staff, authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 10% of the project bid – \$150,000., authorize Staff to enter into an Additional Task Order with Jacobs Engineering totaling \$60,000 for services during construction of the project, and acknowledge the additional use of \$466,500 from the Utility Fund cash to complete the Project Budget for CIP 2599SS1707. Trustee Callicrate seconded the motion. Chairwoman Wong asked for further comments, none were made so she called the question – the motion was passed unanimously.

H.10. Case No. CV11-01380 Aaron L. Katz v. IVGID

- (1) Receive and discuss a verbal status report from litigation counsel, Thomas P. Beko, Esq., regarding litigation involving Aaron Katz Case No. CV11 01380 under Nevada Supreme Court Appeal Nos. 70440 & 71493**
- (2) Review, discuss and possibly approve the filing of a motion to recover costs accumulated between the payment of \$241,046.11 made by the Plaintiff and the time of the order, which is estimated at up to \$150,000, with the cost of filing this motion to be not exceed \$25,000**

(Requesting Staff Member: Interim District General Manager Indra Winquest with assistance from Thomas Beko, Esq.)

This item was removed from the agenda in its entirety.

H.11. Case No. CV18-01564 Mark E. Smith v. IVGID

- (1) Receive, review and discuss status report from litigation counsel, Thomas P. Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District (“IVGID”), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.**
- (2) Review, discuss and possibly approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization).**
- (3) Authorize litigation counsel, Thomas P. Beko, Esq., to pursue a motion to remove IVGID Board Chair Kendra**

Wong and District Legal Counsel Jason Guinasso from this lawsuit (estimated budget \$10,000.00).

(Requesting Staff Member: Interim District General Manager Indra Winquest with assistance from Thomas Beko, Esq.)

This item was removed from the agenda in its entirety.

I. APPROVAL OF MINUTES (for possible action)

I.1. Regular Meeting of November 13, 2019

Chairwoman Wong asked for any changes, none were requested; the minutes were approved as submitted.

J. REPORTS TO THE IVGID BOARD OF TRUSTEES*

J.1. District General Counsel: Law Firm of Hutchison & Steffen

District General Counsel Jason Guinasso said that Counsel Beko will be here at the next meeting to report on litigation and that he had nothing further to report.

K. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

Trustee Dent said that he will be attending the Nevada League of Cities upcoming luncheon.

L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

Brad Johnson said he is a resident of Incline Village and that he was here to speak about the decision you will make on December 18th to appoint a new member to this Board. You have eight candidates to choose from. Some of whom are tremendously well qualified for the position. I am confident there is more than one individual in that pool that all of you can reach agreement on that is capable of doing the job well. That is capable of working collaboratively with you to advance the interests of this community. I urge you to reach a compromise and appoint that

individual on Wednesday. It may be hard to do so. It may mean not getting the individual that is your first choice. But reaching compromise and providing governance to this District is the job you signed up for. Do not allow this decision to go to Washoe County because you think you may get from them a better candidate than you can achieve with your fellow Trustees. To do so is to abdicate control of this community to an organization that has proven itself, more often than not, as absentee and deaf to the desires and best interests of Incline Village and Crystal Bay. Find a path to compromise and appoint. You have stellar candidates. Do right by your community. Do right by this District.

Gerry Eick said that he apologizes to Trustee Dent as the Board did not award the contract on the Mountain Golf Course Clubhouse roof and that he made a mistake for which he apologizes as Staff awarded that contract. It has been his privilege to work for the District and with such an amazing group of dedicated people who are what makes IVGID work for our community. He appreciates being allowed to contribute to the community and the State with both the POOL and the hospital. IVGID is full of accomplished people and that he has always tried his best. For the past forty five years, he has worked at accountancy and to always do the greatest good and for IVGID affording him the chance to do worthwhile work; thank you very much. All those present gave Mr. Eick a round of applause. Chairwoman Wong thanked Mr. Eick for his service to the District and our community and hoped that he and his wife have a great retirement.

M. REVIEW WITH BOARD OF TRUSTEES, BY THE INTERIM DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)

Interim District Manager Winquest went over the long range calendar. Chairwoman Wong noted that she will be out of town on March 25. Trustee Dent asked for a reminder on the date the changes to the Board of Trustees handbook at due; Chairwoman Wong said they are due to Staff by December 31, 2019. Interim District General Manager Winquest reminded the Board that the appointment to fill the Board vacancy will need to be done by January 8, 2020.

N. ADJOURNMENT

The meeting was adjourned at 10:00 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.

Submitted by Judith Miller (1 page): Public Comment IVGID Board of Trustees Meeting 12/11/19

Submitted by Aaron Katz (6 pages): Written statement requested to be included in the written minutes of this December 11, 2019 regular IVGID Board meeting – Agenda Item H(10) – Approval to spend not to exceed \$25,000 with Attorney Beko to file motion to recover an estimated \$150,000 in postjudgment attorney’s fees and costs incurred in two Nevada Supreme Court Appeals, Nos. 70440 & 71493

Submitted by Aaron Katz (12 pages): Written statement requested to be included in the written minutes of this December 11, 2019 regular IVGID Board meeting – Agenda Item C – Request the IVGID Board and Interim General Manager Winquest intervene to compel Public Records Officer (“PRO”) Susan Herron to make available for examination and possibly copying all ETS billing statements in the Katz appeal matter before they can be altered and falsified by means of redaction by Ms. Herron’s public employee colleagues and/or Jason Guinasso

Submitted by Tony Lillios (2 pages)

Submitted by Mike Hess (1 page) – Public Comments IVGID Board of Directors Meeting 12/11/2019

Submitted by Margaret Martini (2 pages) – December 11, 2019 IVGID Board of Trustees Meeting Public Comment by Margaret Martini – to be included with the meeting minutes

Public Comment IVGID Board of Trustees Meeting 12/11/19

Mr. Beko and Mr. Guinasso are once again leading the charge to seek additional attorney's fees against my husband. Most people have no idea what the case was about. First, it asked for a determination that the Rec Fee is really an invalid special tax against property. IVGID relies on a type of fee that elsewhere funds essential infrastructure like water and sewer lines. Everywhere else a standby charge was accessed to vacant lots only, because they provided no revenue from use. But when the original developers of Incline couldn't afford to buy the beaches they had promised, instead of using the normal and fair process of turning to the voters for a bond approval, they came up with a board approved recreation "standby fee" to acquire and subsidize recreational amenities. Instead of assessing just vacant lots, IVGID assesses the Rec fee on improved lots whose occupants do provide revenue from user fees. Unfortunately the Court declined to address this issue, stating that no citizen has the right to challenge this practice. Another element of the case was to seek public records: things like a detailed budget and an employee separation agreement (likely with payments of undisclosed, unbudgeted, unapproved public funds). Courts have determined similar documents are clearly public records. But again Judge Flanagan, who had a history of deferring to public agencies, rather than to the public they serve, decided that these were not public records and just asking for them was allegedly frivolous.

IVGID has had a horrible track record when it comes to producing public records. And it should be everyone's right to question such unusual methods of taxing the public. But these are the 2 main elements in the lawsuit my husband filed after spending four frustrating years (Beko's statement in the packet that the lawsuit was filed just 2 years after moving here is false) approaching other agencies for help (Department of Taxation, Attorney General, District Attorney, IVGID Board, Sheriff). Sadly, public agencies here tend to support other public agencies, not the public, so none would investigate any of IVGID's questionable practices. The lawsuit was a last resort.

Now IVGID's attorneys want you to approve spending even more on legal fees to punish someone for seeking transparency and fairness.

But even more important, the Board and the public should be fully informed. The funds only cover filing a motion, not prosecuting it. The agenda item does not even raise potential risks or present any alternatives.

IVGID is undergoing many changes. There's a great deal of optimism that we are on a new path to involve the community in decisions and seek to understand and compromise with those whose opinions differ from our own. I hope your decision tonight will demonstrate this new spirit of good will and unity. 'Tis the season.

Judith Miller

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS DECEMBER 11, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(10) – APPROVAL TO SPEND NOT TO EXCEED \$25,000 WITH ATTORNEY BEKO TO FILE MOTION TO RECOVER AN ESTIMATED \$150,000 IN POSTJUDGMENT ATTORNEY’S FEES AND COSTS INCURRED IN TWO NEVADA SUPREME COURT APPEALS, NOS. 70440 & 71493

Introduction: Here attorney Beko seeks authority to bill the District up to \$25,000 to file and prosecute a motion, presumably in district court, to recover an estimated \$150,000 in attorney’s fees and costs incurred defending the District after Katz’s satisfaction of the attorney’s fee judgment in case No. CV11-01380. **But nowhere does he share the legal justification for seeking such fees.** He wants the Board to assume, as he has, that just because the District was awarded fees in district court and prevailed on appeal, it is entitled to recover its fees and costs on appeal. But the law declares otherwise. And because it does, if the District goes forward as Mr. Beko suggests, not only is it jeopardizing the loss of the \$25,000 or possible more he seeks, but other costs and expenses he does not even discuss; something every conscientious legal advisor is ethically required to share. Therefore before deciding this agenda item, the Board and the public need to answer the following important questions:

I. What legal authority supports the recovery of post-judgment (i.e., appeal) attorney’s fees and costs incurred defending a NRS 18.010(2)(b) judgment rendered for bringing or maintaining a lawsuit without reasonable ground or to harass?

II. What potential detriment does the District face should it proceed as Mr. Beko proposes and fail?

III. Why didn’t staff, Mr. Beko and the Board attempt to put an end to the wasteful expenditure of our Recreation Facility Fees (“RFFs”) on Mr. Beko’s attorney’s fees in this case by formally engaging in settlement discussions?

These are the purposes of this written statement.

I. There is No Established Legal Authority:

Many lay persons believe that the person who prevails in litigation or on appeal is entitled to recover its attorney’s fees and costs. This is wrong. Given nowhere does Mr. Beko tell the Board and the public the legal authority he relies upon which authorizes his filing of a “motion to recover costs (in district court) accumulated (since Katz’s)...payment of \$241,046.11,” before the Board authorizes him to seek such costs it should make him share that authority. And it should make him counter the authority to the contrary.

A. The American Rule: states that absent a statute, rule¹ or contractual provision, attorney's fees are *not* recoverable to either party either in district court or on appeal.

B. Although NRS 18.010(1)² Allows Parties to Contract Amongst One Another an Allowance of Attorney's Fees and Costs to the Prevailing Party in Litigation, Here There is No Such Contract:

C. Although NRCP 68(a)³ Allows a Party Who Has Made a Written Offer to Allow Judgment to be Taken Against It to Recover Its Attorney's Fees and Costs Where the Recipient of the Offer Recovers Less Than What Has Been Offered, Here No Such Offer Was Made:

D. Although NRS 18.010(2)(b)² Allows a Party to Recover Its Pre-Judgment Attorney's Fees and Costs Where the Opposing Party Has Brought or Maintained a Lawsuit Without Reasonable Ground or to Harass, It Does Not Allow the Party to Recover Its Post-Judgment Fees and Costs: because there is nothing in NRS 18.010(2) which expressly extends to post-judgment fees and costs.

"Because NRS 18.010 does not explicitly authorize attorney's fees on appeal...PETA (wa)s not entitled to attorney's fees incurred through its appeal of Berosini's favorable trial judgment" [*Bobby Berosini, Ltd. v. PETA*, 114 Nev. 1348, 1356-1357, 971 P.2d 383, 388 (1998)⁴].

E. The Only Statute or Rule Which Allows a Party to Recover Attorney's Fees and Costs Incurred on Appeal is Nevada Rule of Appellate Procedure ("NRAP") 38⁵:

"There is no provision in the statutes authorizing the district court to award fees and costs incurred on appeal. NRAP 38(b) authorizes only this (Supreme) Court to make such an award," even where attorney's fees and costs were originally awarded in the trial court pursuant to NRS 18.010(2)(b) [*Board of Gallery of History, Inc. v. Datecs Corporation*, 116 Nev. 286, 288, 994 P.2d 1149, 1150 (2000)⁶].

F. But the District Has Waived the Right to Recover its Attorney's Fees and Costs Were Incurred in the First Appeal: The first appeal became final more than a year ago. *Nowhere* in its Order of Affirmance did the Supreme Court award the District post-judgment attorney's fees and costs. The

¹ When we say rule we are referring to the Nevada Rules of Civil Procedure ("NRCP").

² See <https://www.leg.state.nv.us/NRS/NRS-018.html#NRS018Sec010>.

³ NRCP 68 appears at <https://www.leg.state.nv.us/CourtRules/NRCP.html>.

⁴ Go to <https://www.casemine.com/judgement/us/5914bb60add7b04934796376>.

⁵ NRAP 38 appears at <https://www.eg.state.nv.us/CourtRules/NRAP.html>.

⁶ Go to <https://www.casemine.com/judgement/us/59147e83add7b04934451aa6>.

absence of a ruling awarding such fees acts as denial of the claim [*Tulelake Horseradish, Inc. v. Santa Margarita Ranch, LLC*. (Appeal No. 69305) (June 20, 2016)⁷ citing *McClure v. Moore*, 565 So.2d 8, 11 (Ala, 1990)] and it becomes “the law of the case.” As such, the *de facto* denial of such fees “must be adhered to throughout its subsequent progress *both in the lower court and upon subsequent appeal*” [*Tulelake Horseradish, supra*, citing *Board of Gallery, supra*, at 116 Nev. 289].

G. Insofar as the \$38,997.65 in Attorney’s Fees and Costs Incurred in Second Appeal⁸, the District’s Odds of Successfully Recovering Them in the Supreme Court Are Slim at Best: NRAP 38(b) instructs that:

Only “when an appeal has frivolously been taken or...processed in a frivolous manner (or)...or processed solely for purposes of delay...or whenever the appellate processes of the court have otherwise been misused...may...the court require the offending party to pay, as costs on appeal, such attorney fees as it deems appropriate.”

Even the most cursory examination of the briefs in the second appeal reveals it would be preposterous to assert that it was “frivolously...taken or...processed in a frivolous manner.” The odds of establishing the contrary would be quite an uphill battle and slim at best.

Moreover, it Makes No Financial Sense (i.e. Cost/Benefit) to Spend \$25,000 More With Mr. Beko Attempting to Recover the \$38,997.65 in Fees and Costs Incurred in Second Appeal: Given the legal standard for recovering attorney’s fees on appeal, does it make sense to waste another \$25,000 or more chasing \$38,997.65?

II. Potential Costs and Penalties:

What are the potential costs and penalties to the District should it disregard the law as it is laid out, proceed as Mr. Beko and staff propose, let alone fail?

A. Only \$25,000 to File and Prosecute the Motion: As the Board can see, what is at issue here is far more than simply filing and prosecuting a motion for attorney’s fees. There are quite a few ancillary issues and depending upon how they are resolved, each may lead to new filings in appellate court. Given Mr. Beko’s record on estimating legal costs, his \$25,000 estimate should be

⁷ Go to <https://www.casemine.com/judgement/us/59145b7cadd7b049341dfd7e>.

⁸ Although neither staff nor Mr. Beko has shared the amount of fees and costs incurred defending the second appeal, there is a June 12, 2019 invoice from Mr. Beko and it totals this number. Moreover, Mr. Beko’s “estimated cost to file briefing in defense of (the second) appeal...w(as)...approximately \$40,000” [see page 275 of the packet of materials prepared by staff in support of the Board’s December 11, 2019 meeting (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-11-19.pdf) – “the 12/11/2019 Board packet”].

viewed with caution. Because once the District becomes part of an ongoing effort to recover post-judgment attorney's fees and costs, it will be irrevocably committed for the long haul.

Moreover, where is the statute or rule that allows the District to file a motion to recover these costs?

B. The Chilling Message: these actions send to those in our community or to later become members of our community who might ever decide the need to sue the District. Is that the message the Board wants to send?

C. NRCP 11(c)(1)⁹: instructs that if a person presents a pleading to the court which is not warranted by existing law or a nonfrivolous argument to extending or reversing existing law or establishing new law, the court may impose appropriate sanctions on any attorney, law firm, or party who has violated the rule or is responsible for the violation.

D. Special Motion to Dismiss: NRS 41.660(1)(a)¹⁰ instructs that whenever an action is brought against a person based upon his/her good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, the person against whom the action is brought may file a special motion to dismiss. NRS 41.660(5) instructs that where the court dismisses the action, the case is over.

E. NRS 41.670(1)(a)¹¹: Moreover where the court grants a special motion to dismiss, NRS 41.670(1)(a) instructs it "*shall* award reasonable costs and attorney's fees to the person against whom the action was brought."

F. NRS 41.670(1)(b)¹¹: Moreover still, where the court grants a special motion to dismiss, NRS 41.670(1)(b) allows the court the power to additionally award the person against whom the action was brought up to \$10,000.

G. NRS 41.670(1)(c)¹¹: Moreover still, where the court grants a special motion to dismiss, NRS 41.670(1)(c) gives the person against whom the action is brought the standing to bring a separate action to recover: (1) compensatory damages; (2) punitive damages; and, (3) the attorney's fees and costs of bringing and prosecuting that separate action.

H. Abuse of Process: This is a tort. The elements are: "a willful act in the use of the legal process not proper in the regular conduct of the proceeding;" and, "an ulterior purpose...other than resolving a legal dispute."¹² Here the District now knows it cannot recover post-judgment attorney's

⁹ NRCP 11 appears at <https://www.leg.state.nv.us/CourtRules/NRCP.html>.

¹⁰ NRS 41.660 appears at <https://www.leg.state.nv.us/NRS/NRS-041.html#NRS041Sec660>.

¹¹ NRS 41.670 appears at <https://www.leg.state.nv.us/NRS/NRS-041.html#NRS041Sec670>.

¹² See *LaMantia v. Redisi*, 118 Nev. 27, 30, 38 877, 879 (2002) [go to <https://www.casemine.com/judgement/us/59147bd5add7b04934424076>].

fees in this case pursuant to NRS 18.010(2)(b), or otherwise. Thus any motion seeking to recover those fees (especially if filed in district court¹³) would not be proper. And since it would not be proper, the District would have to have some other ulterior purpose. And what would that purpose be?

Hatred and retaliation. The equivalent of burning a witch from, Salem, or feeding a Christian to the lions. What evidence of hatred and retaliation do we have? Let me provide two examples.

In its motion for attorney's fees the District hid the fact that \$103,191.05 of the fees it sought were paid by its insurer, the Nevada Public Agency Insurance Pool ("NPAIP"). In other words, this sum had nothing to do with reimbursing the District. Moreover, it was recently learned that the NPAIP policy of insurance issued to the District prohibited the latter from pursuing these fees for itself without express written authorization from the NPAIP; authorization *never* received.

Additionally, the District submitted a redacted memo from deceased attorney Scott Brooke which allegedly outlined how \$45,070.80 of his and others' fees had allegedly been spent defending the District in my litigation. Although the particulars of that memorandum have never been publicly revealed, if they were they would reveal how essentially all of those fees were spent on matters having nothing directly to do with the Katz litigation. In particular, it is believed that the majority were spent appealing the NPAIP's decision to withdraw a legal defense inasmuch as the same was not covered under its liability policy.

Now why would the District attempt to recover fees and costs it did not pay to defend itself in my litigation?

III. Failure to Pursue Some Settlement of the Litigation:

After the NPAIP withdrew its legal defense of my lawsuit, why didn't staff or Mr. Beko attempt to put an end to the wasteful expenditure of our RFFs on attorney's fees? After all, the District had many, many opportunities yet *never* did it propose anything! I ask you compare this fact with attorney Devon Reese's comments to the Board concerning the cost-benefit of engaging in litigation at its May 18, 2016 meeting:

"Normally each party would have costs and they would have attorneys which would cause someone at some point in time to say hey this is not worth it."¹⁴

The District has had legal representation in my case from day one. In fact, it has had several attorneys (Mr. Beko, Mr. Loomis, Scott Brooke, Devon Reese, Jason Guinasso). So why didn't someone at some point in time say "hey, this is not worth it?"

¹³ Remember, district court has no jurisdiction (*Board of Gallery, supra*, at 116 Nev. 288).

¹⁴ The District livestreams the Board's meetings (see <https://livestream.com/accounts/3411104>). The comments of Mr. Reese quoted above appear starting 2:52:09 of the May 18, 2016 livestream (see <http://livestream.com/IVGID/events/5418809>).

Instead, staff dug in their collective heels to fight me at every opportunity, regardless of cost. Just like it did with Steve Kroll, Frank Wright, Kevin Lyons and now Mark Smith in their respective lawsuits with the District. And why? Because it is more important to make citizens who sue the District pay, be chastised and labeled pariahs, and to chill future litigation, rather than to avoid or put an end to those lawsuits. And now staff and Mr. Beko are asking for even more.

Alternatives: Typically staff memoranda in support of proposed Board action include “alternatives” and “business impact.” Yet here, neither subject is included. Specifically, the subject memorandum fails to list any alternatives (such as initiating some type of settlement). Shouldn’t it?

Conclusion: Mr. Beko’s and staff’s proposed motion lacks legal justification and if filed, it is guaranteed to spark even more litigation at a cost far in excess of \$25,000. And should Mr. Beko be unsuccessful, he will have subjected the District to even more detriment. And why?

Perhaps the Board should engage the services of a truly independent attorney to counsel with “new eyes” to counsel the Board as to the advisability of going down the road Mr. Beko suggests? Because once it starts down that road, it will likely be too late.

And You Wonder Why Our RFF is as High as it is Because it is Wasted on Legal Fees Such as These? I’ve now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS DECEMBER 11, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – REQUEST THE IVGID BOARD AND INTERIM GENERAL MANAGER WINQUEST INTERVENE TO COMPEL PUBLIC RECORDS OFFICER (“PRO”) SUSAN HERRON TO MAKE AVAILABLE FOR EXAMINATION AND POSSIBLE COPYING ALL ETS BILLING STATEMENTS IN THE KATZ APPEAL MATTER BEFORE THEY CAN BE ALTERED AND FALSIFIED BY MEANS OF REDACTION BY MS. HERRON’S PUBLIC EMPLOYEE COLLEAGUES AND/OR JASON GUINASSO

Introduction: On December 7, 2019 I made the following e-mail request to examine public records¹:

“All...Erickson, Thorpe & Swainston (‘ETS’)...billings to IVGID insofar as...my latest appeal...(wa)s concerned...subsequent (to) June 12, 2019” as well as “records evidencing IVGID’s payment of some or all of such billings.”

These records where a local governmental entity’s records as defined by NAC 239.101²:

All “information that is created or *received* pursuant to a law or ordinance, or *in connection with the transaction of the official business of any office or department of a local governmental entity*, including, without limitation, all documents, papers, letters, bound ledger volumes, maps, charts, blueprints, drawings, photographs, films, newspapers received pursuant to NRS 247.070, recorded media, financial statements, statistical tabulations and other documentary materials or information, regardless of physical form or characteristic.”

Susan Herron is IVGID’s Public Records (“PRO”) and Information (“PIO”) Officer. And for this reason the above-request was directed to her. NRS 239.001, et seq. is Nevada’s Public Records Act (“NPRA”), and NRS 239.0107(1)³ instructs that:

“Not later than the end of the fifth business day after the date on which the person who has legal custody or control of a public book or record of a governmental entity receives a written or oral request from a person to inspect, copy or receive a copy of the public book or record, a governmental entity *shall* do one of the following, as applicable:

¹ My e-mail request is attached as Exhibit “A” to this written statement.

² Go to <https://www.leg.state.nv.us/nac/NAC-239.html#NAC239Sec101>.

³ Go to <https://www.leg.state.nv.us/NRS/NRS-239.html#NRS239Sec0107>.

(a) Except as otherwise provided in subsection 2 (see below), allow the person to inspect or copy the public book or record or, if the request is for the person to receive a copy of the public book or record, provide such a copy to the person.

(b) If the governmental entity does not have legal custody or control of the public book or record, provide to the person, in writing:

- (1) Notice of that fact; and
- (2) The name and address of the governmental entity that has legal custody or control of the public book or record, if known.

(c) Except as otherwise provided in paragraph (d), if the governmental entity is unable to make the public book or record available by the end of the fifth business day after the date on which the person who has legal custody or control of the public book or record received the request, provide to the person, in writing:

- (1) Notice of that fact; and
- (2) A date and time after which the public book or record will be available for the person to inspect or copy or after which a copy of the public book or record will be available to the person.”

NRS 239.0107(2)³ instructs that:

“If a public book or record of a governmental entity is readily available for inspection or copying, the person who has legal custody or control of the public book or record *shall* allow a person who has submitted a request to inspect, copy or receive a copy of a public book or record.”

Moreover, NRS 239.010(1)⁴ instructs that:

“Except as otherwise provided (and here there are no exceptions)...all public books and public records of a governmental entity *must be open at all times during office hours to inspection by any person*, and may be fully copied.”

On December 9, 2019 Ms. Herron responded to my public records request as follows⁵:

⁴ Go to <https://www.leg.state.nv.us/NRS/NRS-239.html#NRS239Sec010>.

⁵ Ms. Herron’s e-mail response is also attached as part of Exhibit “A” attached to this written statement.

“The District is in receipt of an invoice from ETS however it is in the review process and therefore has not been approved for payment nor processed for payment (and) thus I have nothing to provide to you in response to your request. (Moreover,) this completes your records request in its entirety.”

Ms. Herron’s response was not in compliance with the NPRA. Even though she admitted she was in possession of a public record, she refused to make it available for my inspection and possible copying anytime during office hours. Moreover, she failed to provide a date and time after which the subject invoice would be available to inspect and/or copy. In other words, Ms. Herron summarily swept my request under IVGID’s administrative office rug to languish there forever.

On December 9, 2019, in response to Ms. Herron’s refusal, I e-mailed back to her⁶ reminding that:

“There is nothing in the Public Records Act which permits you to refuse a legitimate records request for examination simply because ‘it (allegedly) is in the review process and...has not been approved...nor processed for payment’ and for this reason I again “ask(ed the requested billing invoice)...be made available for my examination.”

Ms. Herron ignored by renewed request.

The Reason Ms. Herron Refused to Allow Me to Examine the Requested Public Records Was So That Her Public Employee Colleagues and/or Attorney Jason Guinasso Had Time to Redact Much of Their Content. Which if True, Makes Her an Accessory to a Felony: Although Ms. Herron will likely not admit this, if placed under oath by the Office of Attorney General (“OAG”) or otherwise, I am certain she will be forced to admit this. Which if true makes her an aider and abettor (see NRS 195.030 below) to the NRS 239.300 crime of corrupting, altering and falsifying official records. NRS 239.300 instructs as follows:

“A person who (1)...corrupts, alters...or...falsifies...any record, process, charter, gift, grant, conveyance, bond or contract...or (4)...alters...or falsifies any...(public) document...belonging to any public office within this state is guilty of a category C felony.”

NRS 195.030(1) instructs as follows:

⁶ My follow up e-mail response to Ms. Herron’s is also attached as part of Exhibit “A” attached to this written statement.

“Every person who is not the spouse or domestic partner of the offender and who, after the commission of a felony...aids in the destruction or concealment of, material evidence, or harbors or conceals such offender with intent that the offender may avoid or escape from arrest, trial, conviction or punishment, having knowledge that such offender has committed a felony or is liable to arrest, is an accessory to the felony.”

My Request to the IVGID Board and Interim Manager Winquest to Intervene to Preserve the Requested Public Record in its Unaltered Form, and Make it Available For My Immediate Examination: For these reasons on December 10, 2019 I sent the IVGID Board and Interim Manager Winquest an e-mail⁷ asking that they intervene to preserve the requested billing invoice in its unaltered form, and to make it immediately available for my examination and possibly copying no later than Friday, December 13, 2019⁸.

Why Submit This Written Statement if I’ve Already Made E-Mail Request to the Board? The reasons are threefold. First, I want the public to see how staff, our interim GM and the Board respond to public record requests. Second, I want the record to be perfectly clear that I afforded the Board every opportunity to intervene to comply with the NPRA, should it do nothing. In other words, establishing willfulness. And third, I want to protect the public from civil penalties should complaint be made to the OAG and civil penalties be imposed.

There is Now a Consequence Whenever a Local Governmental Entity Willfully Violates the NPRA: SB289 was passed by the most recent (80th) session of the Legislature, and it added a new section to NRS 239 [approved by the Governor on June 13, 2019 (Chapter 612)], effective October 1, 2019, which reads as follows⁹:

“If a court determines that a governmental entity willfully failed to comply with the provisions of this chapter concerning a request to inspect, copy or receive a copy of a public book or record, the court *must* impose on the governmental entity a civil penalty of:

- (a) For a first violation within a 10 - year period, \$1,000;
- (b) For a second violation within a 10 - year period, \$5,000;
- (c) For a third or subsequent violation within a 10 - year period, \$10,000.”

Conclusion: When is the Board going to be the community’s watchdog to insure that public records are not altered, and that they are made timely available to those who request them? When is our interim GM going to replace Ms. Herron with someone who will scrupulously follow the law

⁷ That e-mail is attached as Exhibit “B” to this written statement.

⁸ This represents the fifth (5th) business day after my initial request.

⁹ Go to <https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6505/Text>.

rather than frustrate it concerning public records? Given I have demonstrated on so many occasions before that IVGID budgets to overspend nearly \$7 million annually than the operational revenues it assigns to our recreation and beach venues, and this overspending is subsidized by Recreation (“RFF”) and Beach (“BFF”) Facility Fees, Mr. Guinasso’s fees (like those the subject of agenda item 11 for this meeting to defend the District for against staff’s violation of the NPRA¹⁰) are paid from the RFF.

And You Wonder Why Our RFF is as High as it is Because it is Wasted on Legal Fees to Defend Inappropriate Conduct Such as This? I’ve now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

¹⁰ See pages 283-311 of the packet of materials prepared by staff in anticipation of this December 11, 2019 Board meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-11-19.pdf (“the 12/11/2019 Board packet”)].

EXHIBIT "A"

RE: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: "Herron,Susan"
Subject: RE: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019
Date: Dec 9, 2019 4:16 PM

Thank you Ms. Herron -

First of all what is the date of the invoice? Or have there been more than a single invoice?

Second of all has it or several its been received redacted from Mr. Beko's office?

Now to the substance of your refusal.

There is nothing in the Public Records Act which permits you to refuse a legitimate records request for examination simply because "it is in the review process and therefore has not been approved for payment nor processed for payment." Whether or not it has been processed has nothing to do with its receipt. So I ask it be made available for my examination.

Evidence of payment on the other hand, is a different issue. If no part of the invoice (assuming only one) has been paid, then I would agree with you that you have no such records to make available for examination. However I would hope that once it is paid, you then provide evidence of that payment.

Please confirm you will be making available for my examination the invoice or invoices received in the form in which it or they were received, and when.

Thank you for your cooperation. Aaron Katz

-----Original Message-----

>From: "Herron, Susan" <Susan_Herron@ivgid.org>
>Sent: Dec 9, 2019 2:59 PM
>To: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
>Subject: RE: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019

>

>Dear Mr. Katz,

>

>This e-mail shall serve as IVGID's response to your records request of December 7, 2019 which reads as follows:

>

>The last billing statement you have provided for Erickson, Thorpe & Swainston ("ETS") billings in my latest appeal is dated June 12, 2019.

>

>I would therefore like to examine all subsequent ETS billings to IVGID insofar as this matter is concerned. I would also like to examine records evidencing IVGID's payment of some or all of such billings.

>

>The District is in receipt of an invoice from ETS however it is in the review process and therefore has not been approved for payment nor processed for payment thus I have nothing to provide to you in response to your request.

>

>This completes your records request in its entirety.

>

>Susan A. Herron, CMC

>Executive Assistant/District Clerk/Public Records Officer

>Incline Village General Improvement District

>893 Southwood Boulevard

>Incline Village Nevada 89451

>P: 775-832-1207

>F: 775-832-1122

>sah@ivgid.org

><http://yourtahoeplace.com>

>

>

>

>

>-----Original Message-----

>From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]

>Sent: Saturday, December 7, 2019 9:52 AM

>To: Herron, Susan <Susan_Herron@ivgid.org>

>Subject: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019

>

>Hello Ms Herron -

>

>Another records request.

>

>The last billing statement you have provided for Erickson, Thorpe & Swainston ("ETS") billings in my latest appeal is dated June 12, 2019.

>

>I would therefore like to examine all subsequent ETS billings to IVGID insofar as this matter is concerned. I would also like to examine records evidencing IVGID's payment of some or all of such billings.

>

>Thank you for your cooperation.

>

>Aaron Katz

EXHIBIT "B"

Susan Herron is Committing Public Record Act Violations by Refusing to Make Available for Examination ETS Attorney Billing Invoices in the Katz Appeal Case Since June 12, 2019 So Staff/Mr. Guinasso Can Alter/Redact Them

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: "Herron,Susan" <Susan_Herron@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>, Callicrate Tim <tim_callicrate2@ivgid.org>, Dent Matthew <dent_trustee@ivgid.org>, Horan Phil <horan_trustee@ivgid.org>, Morris Peter <morris_trustee@ivgid.org>
Subject: Susan Herron is Committing Public Record Act Violations by Refusing to Make Available for Examination ETS Attorney Billing Invoices in the Katz Appeal Case Since June 12, 2019 So Staff/Mr. Guinasso Can Alter/Redact Them
Date: Dec 10, 2019 10:08 AM

Chairperson Wong, Other Honorable Members of the IVGID Board and Interim GM Winquest:

Susan Herron is refusing to make public records available for examination so staff/Mr. Guinasso can alter them by redaction. This constitutes Nevada Public Records Act ("NPRA") violations and I am asking you and Mr. Winquest to intervene NOW before staff are successful in their alteration of public records.

You will note that the staff memorandum in support of agenda item H(10) is conspicuously silent on the attorney's fees and costs Mr. Beko's firm has billed the District associated with my second appeal. So for that reason,

Below you will see that on December 7, 2019 I made request on the District's Public Records Officer ("PRO") to examine all ETS billings to IVGID subsequent to its June 12, 2019 billing insofar as my second appeal was concerned, and records evidencing IVGID's payment of some or all of such billings.

Below you will see that on December 9, 2019 Ms. Herron responded that "the District is in receipt of an invoice from ETS however it is in the review process and therefore has not been approved for payment nor processed for payment (and) thus I have nothing to provide to you in response to your request."

In other words, Ms. Herron admits she is in possession of public records which respond to my request however, she refuses to make them available for my examination for reasons having nothing to do with privilege or confidentiality. This represents a NPRA violation.

Let me explain to you why Ms. Herron is refusing to make these records available for my examination now. Because staff or probably more likely Mr. Guinasso haven't had an opportunity to alter them through redaction. Not only does this not justify Ms. Herron's NPRA violation, but it provides evidence of another violation; NRS 239.300(1) and (4) which makes it unlawful for "a person (to)...corrupt...alter...(or) falsif(y) any record" or "deface...or falsif(y) any...document...belonging to any public office within this state."

I ask the Board and Mr. Winquest to take control of the requested public records NOW to preserve them before staff/Mr. Guinasso have the opportunity to alter them, and to make them available for my immediate examination and possible copying.

Additionally, I ask the Board and Mr. Winquest to immediately provide me with the date(s) of all such billings which respond to my request. As you can see I made this request of Ms. Herron on December 9, 2019 and she is stonewalling a response. Ms. Herron is not only IVGID's PRO, she is its Public Information Officer ("PIO"). As PIO Ms. Herron is required to provide "information" to the public just as if it were a public record. But when that information is embarrassing or detrimental to herself or a colleague, she "clams up." And that's what she's doing here.

There is no reason Mr. Winquest can't take possession of the requested records right now to preserve them in their unaltered form. So I ask him to do so.

I remind each of you that if assist Ms. Herron, Mr. Guinasso or others in refusing to turn over the requested records now for my examination, you will be accessories or principals as aiders and abettors under NRS 195.020 and 195.030 and thus equally responsible.

Finally, I also remind each of you that because of modifications to the NPRA, the Office of Attorney General ("OAG") now has jurisdiction to impose civil penalties on any public body which violates the NPRA. If I don't see corrective intervention by the Board or Mr. Winquest as requested prior to tomorrow evening's IVGID Board meeting, I intend to turn the matter over to the OAG.

Thank you for your hopeful intervention. Aaron Katz

-----Original Message-----

>From: "s4s@ix.netcom.com"

>Sent: Dec 9, 2019 4:16 PM

>To: "Herron,Susan"

>Subject: RE: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019

>

>Thank you Ms. Herron -

>

>First of all what is the date of the invoice? Or have there been more than a single invoice?

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>Now to the substance of your refusal.

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>There is nothing in the Public Records Act which permits you to refuse a legitimate records request for examination simply because "it is in the review process and therefore has not been approved for payment nor processed for payment." Whether or not it has been processed has nothing to do with its receipt. So I ask it be made available for my examination.

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>

>Please confirm you will be making available for my examination the invoice or invoices received in the form in which it or they were received, and when.

>

>Thank you for your cooperation. Aaron Katz

>

>-----Original Message-----

>>From: "Herron, Susan"

>>Sent: Dec 9, 2019 2:59 PM

>>To: "s4s@ix.netcom.com"

>>Subject: RE: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019

>>

>>Dear Mr. Katz,

>>

>>This e-mail shall serve as IVGID's response to your records request of December 7, 2019 which reads as follows:

>>

>>The last billing statement you have provided for Erickson, Thorpe & Swainston ("ETS") billings in my latest appeal is dated June 12, 2019.

>>

>>I would therefore like to examine all subsequent ETS billings to IVGID insofar as this matter is concerned. I would also like to examine records evidencing IVGID's payment of some or all of such billings.

>>

>>The District is in receipt of an invoice from ETS however it is in the review process and therefore has not been approved for payment nor processed for payment thus I have nothing to provide to you in response to your request.

>>

>>This completes your records request in its entirety.

>>

>>Susan A. Herron, CMC

>>Executive Assistant/District Clerk/Public Records Officer

>>Incline Village General Improvement District

>>893 Southwood Boulevard

>>Incline Village Nevada 89451

>>P: 775-832-1207

>>F: 775-832-1122

>>sah@ivgid.org

>>http://yourtahoepalace.com

>>

>>-----Original Message-----

>>From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]

>>Sent: Saturday, December 7, 2019 9:52 AM

>>To: Herron, Susan

>>Subject: Records Request - Attorney Billing Invoices in Katz Appeal Case Since June 12, 2019

>>

>>Hello Ms Herron -

>>

>>Another records request.

>>

>>The last billing statement you have provided for Erickson, Thorpe & Swainston ("ETS") billings in my latest appeal is dated June 12, 2019.

>>

>>I would therefore like to examine all subsequent ETS billings to IVGID insofar as this matter is concerned. I would also like to examine records evidencing IVGID's payment of some or all of such billings.

>>

>>Thank you for your cooperation.

>>

>>Aaron Katz

12/11/2019

Good evening. I am Tony Lillios, a 10 year resident of Incline Village, and one of the candidates for the Trustee appointment.

I want to first thank all of the Trustees and the IVGID staff who have sat down to speak with me over the past few weeks. I found each one of you to be generous with your time, passionate about your care for the District and at a high level of frustration of where we have found ourselves today. You all spoke about the demanding hours the role asks of each of you. With all that, I want to sincerely thank each and every one of you for the service you provide. It appears to be a thankless role at times and I want to be sure you at least once tonight hear some appreciation.

In speaking with each of you, I was surprised to find there was much more in common than I had expected from following meetings from home. But now as I reflect back, it isn't surprising. We all live here for a reason. And even with our diverse backgrounds, we have chosen this place to live. We all love Incline Village and Crystal Bay. We understand the privilege and the gift to call this place home. And as stewards of this, those who get involved feel the weight of shepherding it forward. What I see in all of you is the desire to do that well. To responsibly take care of what we have already created and to build upon that in service to the community.

In light of Trustee Horan's departure, I believe what is needed now is an appointment that can build bridges between the Trustees and the General Manager. This is the time to put down the gloves. To put aside partisan politicking that will further drive a wedge and divide the community. We are at a juncture here with the departure of the General Manager and Trustee Horan to step into a new way of business. What I see in Indra, is someone who looking to work with you each you individually, to proactively look into the future about what is possible and to leave the past behind us. I think it is time to show Indra and the community as a whole that you are all ready to move on and let him do the great the work I believe he is capable of.

In my view, it is your job, right here as a board, to come together and to find a way through to the replacement for Trustee Horan. To find a Trustee to see out the remainder of his term and to bridge us to the next election in November. It is NOT the time to appoint a partisan, agendaful candidate. Let the public next November decide where they want representation. They have never had a chance to exercise their vote on this unique set of 8 candidates' side by side that have now stepped forth.

I hope that you can find the common ground that you, right here as a board can come together and find someone qualified and competent that you all can work with to see out Trustee Horan's term.

Thank you for your time.

Tony Lillios

12/11/2019

Public Comments IVGID Board of Directors Meeting 12/11/2019

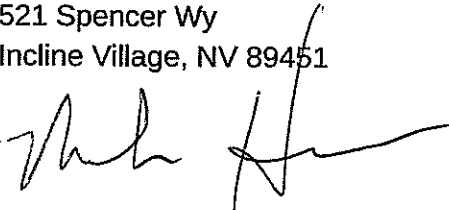
Thank you for the opportunity to comment.

H4 Golf Rates

First, thank you Darren Howard for the good work in your presentation. My comments are not a criticism of your work but are rather meant to provide the Board of Trustees with an additional concept that should be considered.

Within the IVGID Strategic Plan is the concept of IVGID's Cost Recovery Pyramid; such a principle allows for the full subsidy to no subsidy based on the benefit to the community and/or the individual. Last year according to our new financial report, we subsidized, assuming I didn't make a calculation error, the Championship course by \$382,734 and the Mountain Course by \$219,474. With the increased revenue proposed, that subsidy will be reduced by \$155,230 leaving a net subsidy of \$447,038. For the championship course we subsidize nonresident golf to the tune of \$98,208 and are at a rate of \$126.37, which is under Edgewood's lowest rate of \$175.00 per round. For the Mountain Course we subsidize the nonresident play to the tune of \$77,103 and at \$58.73 per round are nowhere near the Old Brockway rate of \$105.00. We should be charging more for nonresident players. The only changes recommended are for nonresident players. These comments are for your consideration.

Mike Hess
521 Spencer Wy
Incline Village, NV 89451

A handwritten signature in black ink, appearing to read 'Mike Hess', is written over the typed name and address.

December 11, 2019 IVGID Board of Trustees Meeting Public Comment
By: Margaret Martini – To be included with the Meeting Minutes

I must object to Chair Wong's disrespect for the time and attention of our Board and our citizens by cramming tonight's agenda with items that should be discussed in depth at a later time and will stretch this meeting past midnight.

As for the important items that warrant everyone's attention, this Board cannot consent to another year of an Eide Bailly audit without discussing expanding the scope to include at a minimum, a report on the District's internal controls. To my knowledge, if there are internal controls, they are ineffective. Coupled with no audit committee oversight, there is no one looking out to ensure that our financial accounting and reporting complies with Nevada law and our own Board policies and practices. Simply stated, no citizen can have any confidence in the financial condition of any of our major funds and cannot know how our public money is actually being spent.

The 2019 CAFR is a sham! There are both false and misleading statements made by staff in the unaudited portions as well as erroneous statements in the audited footnotes. Voting to approve this CAFR is a vote to present false and misleading information to all readers of our financial statements. This includes the State, County, bondholders and our citizens.

As a property owner, rate and fee payer I must object to the use of my public money to fund unending litigation expenses against Mr. Katz and now, Mr. Smith. I do not pay these taxes, rates and fees to support Mr. Beko and Mr. Guinasso's lifestyles to wage war against a local business as was done against FlashVote and against citizens seeking public records. I do not want any more of our public money being misappropriated by Wong and Guinasso for their defense in a public records lawsuit that should have been settled by this Board more than a year ago.

*Jessie
copy*

IVGID December 11, 2019 Audit Committee Meeting Public Comments
By: Margaret Martini – to be included with the Meeting Minutes

The primary **purpose** of an **audit committee** is to provide oversight of the financial reporting process, the **audit** process, the district's system of internal controls and compliance with laws and regulations. Unfortunately, this audit committee has failed to undertake any of its responsibilities. There have been countless memorandums from our citizens flagging non-compliance with laws and regulations, some of which have required a prior period adjustment to this year's CAFR and others which have been ignored. All of these memorandums point to the District's chronic lack of effective internal controls. So, my first question is what exactly do you do? ~~And why, are you, Mr. Horan here when you have physically moved out of the District and are no longer legally eligible to serve as a Trustee?~~ *UA*

The **purpose of a CAFR** is to be transparent about the use of taxpayers' money and to give the public a detailed accounting of all expenditures. A **CAFR** accomplishes this by including basic and more intricate financial reports along with notes, narratives and supporting data. Unfortunately, the CAFR you are recommending for approval has failed to provide transparency as it is littered with so many false and misleading statements in Staff's unaudited narrative as well as serious misstatements in the audited notes.

I have recently learned that this year's required management representation letter to the District's auditors is materially different than those presented in previous years. Among other additions and new omissions, Management no longer acknowledges responsibility for compliance with the laws, regulations and provisions of contracts and grant agreements. Management has also omitted that it has reviewed, approved, and taken responsibility for the financial statements and related notes. So, who authorized the changes to the Management Representation letter? Who is actually responsible for the District's compliance with laws and regulations and who is accountable for the accuracy of the financial statements and related notes? Any one?

MINUTES

SPECIAL MEETING OF DECEMBER 18, 2019 Incline Village General Improvement District

The special meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Wednesday, December 18, 2019 at 4:30 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

On roll call, present were Trustees Kendra Wong, Tim Callicrate, Peter Morris, and Matthew Dent.

Members of the public present were Kathleen Watty, Margaret Martini, Lonny Parsons, Jamie and Steve Sidells, Brad Johnson, Mark Alexander, Joe Schultz, Aaron Katz, Judith Miller, Mike Abel, and others.

(32 individuals in attendance at the start of the meeting which includes Trustees, Staff, and members of the public.)

Chairwoman Wong made the following announcements:

There has been some misinformation about the process, timing and the decision making process. This meeting is being Livestreamed so there is no need for the candidates to leave the room during the interviews. I would like to take this opportunity to clarify these items - former Trustee Horan resigned his position on December 9, 2019. This Board has thirty days to appoint a replacement – the thirty day time period ends January 8, 2020. If this Board does not come to a consensus tonight, which I think is unlikely but possible, then the decision will turn over to Washoe County Commissioners unless this Board decides to make a request, to the Washoe County Commissioners, for a thirty day extension which I am prepared to do however there is no guarantee that it will be granted. We had tentatively planned for meetings in January, but family commitments will prevent this from happening. This Board has heard from many individuals in the community that they want this Board to make this decision and not the Washoe County Commissioners; that is our goal tonight. A few logistics about the interviews. After public comments,

regardless of the agenda timing, each interview will be twenty minutes with a five minute transition between candidates. Each applicant will make a two minute opening statement then any Trustee can ask questions. At fifteen minutes, I will call for the final question from the Trustees to allow enough time for each applicant's three minute closing statement.

C. PUBLIC COMMENTS

Yolanda Knack spoke in favor of appointing Sara Schmitz.

Patricia Moser-Morris spoke in favor of appointing Sara Schmitz

Margaret Martini spoke in favor of appointing Sara Schmitz.

Lonny Parsons spoke in favor of appointing Michaela Tonking.

Aaron Katz said that he has a written statement and that for the last twenty or more years, Trustees have been selected through a process by the behind-the-scenes puppet master Jim Clark. These are takers of the community who care more about themselves and who are subsidizing them financially. We have been plagued with them for the last two elections and he asked that everyone look at what they have to Ms. Miller and Mr. Smith who was forced to remove himself from the Board. Trustees Morris and Wong are Jim Clark disciples so watch who is going to be the disciple tonight. It won't be a woman and come the next election, this person will be the lackey of Jim Clark. When dealing with unscrupulous individuals like Jim Clark it is important to turn on the light and watch the cockroaches scatter.

Mike Abel spoke in favor of appointing Sara Schmitz.

Ron Wright spoke in favor of appointing Michaela Tonking.

Dan Weinberg support in favor of appointing Michaela Tonking.

Joe Schulz said he vacillated about speak and that the work you do is incredibly difficult. He is amazed that the four of you and previously five people can digest the materials that you get and be aware of the intricacies of the decisions that you have to make. The process that is before you, and he doesn't understand the urging of one or another, certainly has many that are qualified. He hopes that the Board can consider how much time you have to put in, how much time the new person will have to put in, without the advantage of years that have been put in.

How doesn't know how any of you or how these people can do this well as the task seems impossible. Do a good job and a fair job and give yourselves enough time to make intelligent decisions. Don't know how you do it with full time occupations and family distractions. He doesn't know if the people you are speaking with tonight have the background. We are counting on you to do an impossible job on picking the next person. Good luck to you and the community.

Gwen Paul spoke in favor of appointing Michaela Tonking; written statement attached.

John Eppolito spoke in favor of appointing Sara Schmitz.

Frank Wright said he is a candidate who will be speaking later on and he has an objection to the format. He doesn't believe that the District General Counsel belongs here as this is about the four of you picking a candidate. It is appalling to see his interaction with the Chair and that has been going on way too long. He doesn't pay attention to what is going on. Why are we having him here while he is being interviewed? There are eight candidates, all are qualified and all are good people. This Board will have to deal with his criminal behavior as he has turned this District into a gold mine for himself by filing lawsuits and filing ethics complaints to generate a buck off the back of the people of this community. One candidate sticks out above all the others and she is here. He too is at almost every meeting. He has been engaged for ten years in trying to correct what is going on here. This is the opportunity to do what is right. The Board for the last four or five years has been pathetic so pick a candidate tonight and don't send this to Washoe County. Chairwoman Wong, you have tipped your hat, as it is going to take integrity to make that decision and to do what is right. Stop the garbage now.

Sara Schmitz said that she wanted to take a moment because in your Board packets you have all the resumes and she has two changes to be noted on hers – Mr. Todoroff's health has been doing better so instead of assuming his role as moderator of the Community Forum, she is an alternate moderator. Additionally, she was recently appointed to the Citizen Advisory Board which she is very grateful for this appointment and grateful for the support of the Washoe County Commissioner Berkbigler. Finally, she was grateful to meet with all of you prior to tonight.

D. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for changes to the agenda, none were requested; the agenda was approved as submitted.

E. GENERAL BUSINESS (for possible action)

1. VACANCY ON THE BOARD OF TRUSTEES

- I. Confirmation, by District Clerk Susan Herron, that all candidates have executed the Declaration for Appointment to the Office of Incline Village General Improvement District Trustee

District Clerk Susan Herron confirmed all declarations were executed and included within the Board packet.

II. Interview of the Candidates

Candidate Alec Flores

Mr. Flores asked to be rescheduled to be the last candidate; Chairwoman Wong granted that request.

Candidate Frank Wright

Mr. Wright gave a two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts. Mr. Wright said no. She used her campaign funds to pay for posters and ads. He was appalled and spent time going to investigate. She probably wouldn't have been elected had we found out. Appalled, she should have resigned.

Trustee Dent: What is the important challenge or issue facing the District. Mr. Wright said getting people on the Board who are looking out for the people living in the community, assets, venues, and money. Don't believe we have that now. The Board members we have, the majority, lack integrity. Not everyone but they do what they are told. Not individuals, don't think for themselves, and they act as group. Most important thing is to get five members who are educated, intelligent, and do the best for this community. Also, not giving money to a guy who does a three page report, there was no majority to go after him.

Trustee Dent: Would you be in favor of acquiring the Parasol building – yes or no. Mr. Wright said we already own it. Why buy something that is sitting on your property. Horrible. Came and wanted us to buy a building and take them off the hook and lease it back. That is why everyone went crazy. Trustee Dent said so he takes that as a no. Mr. Wright said that is correct, no.

Trustee Dent: If appointed will you run in the election in 2020. Mr. Wright said absolutely. Trustee Dent If not appointed, will you run. Mr. Wright said yes.

Trustee Dent: Do you believe Trustees can hire and fire Staff. Mr. Wright said, as a Board, yes. Trustees can do anything they want. They don't take direction from Staff. Some of our Trustees think they are autonomous. The Board should act together and that is why we have a Board and input. We have had a situation where the Chair engaged in lawsuit trying to defend her which is an act of embezzlement.

Trustee Dent: Why do you want to do this. Mr. Wright said he has been doing it for ten years. He is part of this community who has run basketball camps and brought hundreds of kids into this community. He has watched frivolous lawsuits. He made Frank's greatest hits and he shouldn't be here in this community.

Trustee Morris: Clearly, it is no secret that over some period of time, you have been vocal which is absolutely your right, fairly vitriolic, and disparaging of people. It has often been said for the Board to be more collegiate - please explain how you would be a bridge builder and collegiate with the Board. Mr. Wright said if individual that has an opinion is well based and recognizes others, it is easy to collaborate. Some already have a pre-determined outcome in mind because they have been listening to others. When you have a Board Chair that has a button to cut them off, wonder if they are really listening to what the community is saying. He feels and understands what Mr. Dobler and Ms. Newman are saying. Look at each other, talk to each other and listen to each other. Pre-determined and meeting with Staff who is telling who how to vote, then you are a robot.

Trustee Morris: Trustees should not come to the Board meeting without meeting with Staff rather they should meet with Staff and come with an opinion. Are you suggesting not meeting with Staff before the Board meeting. Mr. Wright said that this is an opinion that you have created in your own mind as Staff is a tool. Staff will give you input but that you take everything Staff gives you and rubber stamp it. I want to ask Staff how they came to this decision. To take it as verbatim and fact, you can't do that as you have to look at the whole problem and come to a very good solution. Some people have very good ideas but they don't get heard, Board doesn't get involved rather you just show up. Remember when he brought the rocks in, you just sit there, don't involve the community, and just sit there. Someone has taken our money, you just sit there, do nothing, ignoring the people in this community who are having to put up with all of this. Not fun for him coming here and seeing what is wrong here. Don't how the Chair and District General Counsel can't feel bad about the stuff they have done.

Trustee Callicrate: Appreciate you putting in your resume and applying for this position. It is going to be a lengthy process, hopefully the Board can do the right thing. You do have an opportunity to disagree and he does response that you do come forth and try. It is not an easy job rather it is a tough situation but it can be rewarding and fun and he is working to get to that as a Board. Thank you for coming and put yourself out as it takes a lot and that goes out to all the candidates; thank you for applying and he wishes everyone the best.

Mr. Wright made a three minute closing statement.

At 5:18 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 5:23 p.m.

Candidate Sara Schmitz

Ms. Schmitz made a two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts or affiliated with Jim Clark. Ms. Schmitz said no and she has not. When everything happened during the last election, she spoke one-on-one with members of that organization. She spoke with

one member three times and that member said she didn't want to talk to her anymore because she liked her. Another member wrote an article and it was not factual information. She should have let her supporters know that I reached out and spoke with that individual. Her approach is more one-on-one rather than blasting to everyone.

Trustee Morris: When did you come to Incline Village full time. Ms. Schmitz said she has been here for three years and four months.

Trustee Morris: Did you start your activism right away. Ms. Schmitz said not right away. This is our retirement community and they did relocate somewhat frequently and she has always had an approach to joining the community. She was really struggling on getting to know the community and she doesn't remember how long ago but she started attending IVGID Board meeting. When she lived in Danville, she did get involved in local activities and politics. Her parents were involved as well so she grew up with being a responsible and engaged community member and doing her civic duty.

Trustee Morris: You have spoken in various forms and spoken often about the failure of IVGID accounting; could you expand on what the errors are in our accounting that you have found. Ms. Schmitz said no errors or failures in that regard, things are not as transparent as they could be for community members. Did watch the Livestream and all of you were talking about the challenges of managing capital improvement projects. Would welcome the opportunity of sharing the information about capital improvement projects. One of the things was always managing to project budget and schedule – that is a skill set and value she brings to the table.

Trustee Morris: That didn't address his question because it was about accounting. Ms. Schmitz said she has never spent time with the Director of Finance going over things. Last time was when they explained to her about the pond project and when it was not happening, she stepped away from that conversation.

Trustee Morris: So you haven't met with our Director of Finance.

Chairwoman Wong: What is the biggest issue with IVGID and what do you think your approach is going to be. Ms. Schmitz said there are a few challenges – one of the things she sees, there isn't a full staff

around Interim District General Manager Winqest. There are a number of senior positions that are open including information technology which could make it more effective; need to fill the team with a solid team and need the District to recognize that. As to the Board, you are finally putting in place a resolution to the Effluent Pipeline. There have been a number of breaks in that line. Had a lot of technical analysis on sections. You have a responsibility to the environment and a financial responsibility to the Recreation Fee payers. Spending money to do expensive fixes is sort of throwing good money after bad. You know it needs to be dealt with so that is a challenge facing the Board. Another is communication. By improving communication, this Board has the opportunity to see the tone and course so we can come together and be One District – One Team. It takes leadership, stepping up to the plate, and leading by example and she welcomes the challenge to bring that to a reality.

Chairwoman Wong: Effluent Pipeline – how much time have you spent with our Staff gathering information and getting the history of that project. Ms. Schmitz said she has approached it from Board packets and what she learns from a break. Her personal style is that she shouldn't be taking time away from Staff as they have responsibilities and leadership. If she were a Trustee, she would make sure she is working and collaborating. As an individual citizen, she should not be interrupting as it is not her place to take the time of Staff to explain to one individual in the community.

Trustee Dent: If appointed, will you run for re-election. Ms. Schmitz said yes.

Trustee Dent: If not appointed, will you run for election. Ms. Schmitz said yes.

Trustee Dent: Do you believe Trustees can hire and fire Staff. Ms. Schmitz said that is why we have a General Manager and in a corporate environment, you don't go into their organization. She would work with the General Manager but it would not be appropriate to circumvent that authority.

Trustee Dent: So your answer is yes but follow chain of command and allow the General Manager to do his job. Ms. Schmitz said yes.

Trustee Dent: Why do you want to be a trustee. Ms. Schmitz said that she is an individual compelled to when she has the ability to help she can't help herself. Believe in this community, choose to move and retire here, because of the amenities, appreciative of them, have a desire and feel blessed to be in a place to have time and energy to assist and help my community.

Trustee Morris: When you were running for election last year, seeing that you didn't feel it was important to meet with Senior Staff who you would be a Trustee over through the General Manager, is that right? Ms. Schmitz said yes.

Ms. Schmitz made a three minute closing statement.

At 5:42 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 5:47 p.m.

Candidate Karen Gotelli

Ms. Gotelli made a two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts or affiliated with Jim Clark. Ms. Gotelli said no.

Trustee Morris: You have been coming here since 2004 – did you have property here before moving full time. Ms. Gottelli said she is from the San Francisco Peninsula and that they would vacation in North Tahoe as her husband's family is in South Tahoe. They purchased a condominium in 2004 that they would rent. When they retired, they bought their home and moved here July 1.

Trustee Morris: Appreciate that longevity with IVGID; what would you change in our general plans for next year. Ms. Gotelli said she would want to work together on what are the issues in front of us and asked if there was something specific. Trustee Morris said any of the above or what is on the top of your mind that says to you I would like to be a Trustee and that this is something that I could help change or reinforce. Ms. Gotelli said that last Wednesday was her first Board meeting and she knows it was a difficult meeting because of the absence. She is a Mountain Niner golfer and the recreation is important so she would like to get things done.

Chairwoman Wong: What is the biggest issue facing the Board and the District. Ms. Gotelli said that she is an infrastructure gal so you need to have that solid because that is what our community will run on. The Mountain Golf Course is near and dear to her and she would like to see that in top notch shape. She would like to get a new Finance Director in.

Trustee Dent: Four years and four months ago, I put my name in and decided I wanted to do this again so I appreciate you stepping out of your comfort zone and answering our questions. Would you be in favor of acquiring the Parasol building. Ms. Gottelli said she would weigh all the facts and yes, she would, based on the facts.

Trustee Dent: If appointed, will you run in the election. Ms. Gotelli said most likely not because of the resources required for an election.

Trustee Dent: Do you believe Trustees can hire and fire Staff. Ms. Gotelli said doesn't the General Manager have the ability to make those choices. On the other hand, it is also beneficial for the Board to vote so make a decision with Board approval. Trustee Dent said he wanted to make sure he understood you correctly – the General Manager makes the decision but should get Board approval. Ms. Gotelli asked how it is done now and that she is wondering if it is beneficial or is the General Manager qualified to do that. Trustee Dent said please do what is best so you can tell us a little more about what that means and then asked why do you want to be a Trustee. Ms. Gotelli said to make decisions for the community and for the best of our community. We have older and younger individuals here and there are decisions to be made. We need to go forth with those decisions and resolve issues. We have gone through two professionals at the Mountain Golf Course and she doesn't want to go through the current professional. The people of the community are both old and young and we need to have their best interests in mind.

Chairwoman Wong: Serve for the year – what is the one thing you would like to impact and be your legacy for that one year. Ms. Gotelli said she would have to review what is going on for the first year and weigh the facts and issues. See what the community things and what are the capital projects. I can't specifically say one without a list in

front of her and she needs to see what the issues are to see what is really a priority there.

Ms. Gotelli gave her three minute closing statement.

At 6:00 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 6:05 p.m.

Candidate Jeffrey Sheldon

Mr. Sheldon gave his two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts or affiliated with Jim Clark. Mr. Sheldon said no and that he has never met Mr. Clark.

Trustee Dent: What do you believe is the most important challenge or issues facing the District. Mr. Sheldon said infrastructure and it has got to be fixed. How good is our cost accounting and what needs to be fixed. Are we efficient, accounting for costs, making the right decisions, and do we have financial information. Long term – Diamond Peak and global warming.

Trustee Dent: Are you in favor of purchasing the DWR building. Mr. Sheldon said based on the facts as he currently knows them, no.

Trustee Dent: Will you run in the next election. Mr. Sheldon said he didn't know, maybe, if he enjoys this, he doesn't believe in just doing, answer is yes, but no decision made one way or another. Trustee Dent said it is a lot of fun sitting up here. Mr. Sheldon said he didn't want to be on the receiving end of Mr. Wright's comments.

Trustee Dent: If you are not appointed, will you run in the spring. Mr. Sheldon said he didn't know. If there are other good candidates, I tell it like I see it. Trustee Dent said he is kind of like him which is great.

Trustee Dent: Do you think the Board can hire and fire Staff. Mr. Sheldon said he doesn't know the legal answer to that question and it is probably the managers' decision except for the attorney. Before someone got fired, I always went through the due diligence to always make sure there was a basis.

Trustee Dent: Why do you want to be a Trustee. Mr. Sheldon said that it is not right passing this onto the county. There is a qualified candidate, Sara, and she did run with Trustee Callicrate. He too is a viable candidate and he doesn't want to see it go to the county.

Trustee Morris: He knows that you are still figuring out about standing for the next election, and his question is around that, he believes that candidates need to submit in March so you could be in the seat for three months and then have to decide if you want to stand, what would you hope to accomplish on day one and what is your approach. Mr. Sheldon said that he would be a bridge between the Board members and come up with a definite plan to straighten it out.

Trustee Morris: Converse challenge for whoever joins us, day one, month one. Mr. Sheldon said to be a bridge and working with the Interim District General Manager to get those positions filled as he needs the support staff around him.

Chairwoman Wong: How do you envision fulfilling the role of Trustee and lasting legacy. Mr. Sheldon said he has the ability to listen and that when people come to talk to the Board it is like talking to a teenage daughter. Some lady questioned the attorney fees and the response should be an e-mail. People come and talk to the Board and the Board does not interact. He would like to raise the three minutes to five minutes and have them feel welcome and acknowledge that they are making points.

Mr. Sheldon gave his three minute closing statement.

At 6:15 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 6:20 p.m.

Candidate Michaela Tonking

Ms. Tonking gave her two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts or affiliated with Jim Clark. Ms. Tonking said no.

Trustee Callicrate: I am bowled over by your involvement at State and what you bring to the table. Amount of involvement with so many organizations, how do you see being able to allocate the time and your other commitments. Ms. Tonking said that she works remotely and has flexible hours. I thought about the time commitment and pulling all of your resources in and not do something partially.

Trustee Morris: It is really encouraging having some younger generation wanting to get involved. In reading your resume, which is pretty detailed, you have done a lot of different stuff. How long have you been back? Ms. Tonking said almost a year and a half. Trustee Morris: What is your knowledge of all things IVGID regarding BOT since you have been back; what did you get acquainted. Ms. Tonking said she attended and watched the Board of Trustees meetings which were interesting to watch. She read the Board of Trustees minutes and found them interesting. It is part of our day to day conversation as it affects her family, friends and her community. Trustee Morris: You went to high school here – were you part of “We The People”. Ms. Tonking said yes, class of 2010. Trustee Morris: Area of specialty. Ms. Tonking said current event and policy perception today. Trustee Morris: What do you see as the most critical for the IVGID Board over this term. Ms. Tonking said there are two issues – balance in growth and capital improvements. We have invested in infrastructure so let’s maintain them and grow them. Also, there is room for growth and we need to grow so how can we budget for both of those things. Also maintain and improve the master plans. There is a public perception, that it is hard for people her age because they don’t understand how to enter. It has harder for young families so that perception around that is one of her many goals and having that different perspective to the community. Trustee Morris: Regarding your ability to reach a younger generation, what do you think we can do most for your generation. Ms. Tonking said that programming stopped for them as they have everything when they were growing up. Once in high school, it was harder. The younger population is moving so finding out what space IVGID can provide that area would be interesting.

Trustee Dent: As you in favor of acquiring the DWR building. Ms. Tonking said no, not as currently handled. We need the input of the entire community and an understanding of the all the needs.

Trustee Dent: If appointed, will you run in the next election. Ms. Tonking said yes. Trustee Dent: If not appointed, will you run in the next election. Ms. Tonking said yes.

Trustee Dent: Do you believe that the Board can hire and fire Staff. Ms. Tonking said only those they contract with as you do not have the responsibility as IVGID as whole and that is why you hire a General Manager.

Trustee Dent: Why do you want to be a Trustee. Ms. Tonking said that she has a great background in finance and policy, she can explain the budget, and she wants to give back to the community that raised her. She also thinks it will be fun and to bring a different voice forward for her community.

Ms. Tonking gave her three minute closing statement.

At 6:33 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 6:38 p.m.

Candidate Mike Hess

Mr. Hess gave his two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts or affiliated with Jim Clark. Mr. Hess said no and just to be clear, he did facilitate a meeting between Mr. Clark and Ms. Schmitz and that their website was taken down because of that meeting.

Trustee Callicrate: So you are not working with Washoe County about succeeding. Mr. Hess said he attended a meeting on that topic. Trustee Callicrate: So you have had some dialogue with Mr. Clark. Mr. Hess said he also talked to Mr. Wright and that the role of a Trustee is to talk to everyone. Trustee Callicrate: Mr. Clark created division in the community so that's why he asked. Mr. Hess said that is why the website is down.

Trustee Dent: What do you believe is the most important challenge. Mr. Hess said the Effluent Pipeline phase 2 and the wastewater storage pond and that he is looking forward to the meeting being held

in January as he would like to know about floating a bond to finance the whole project and what the cost is on the whole alignment as it needs to become a priority. On financial reporting, while progress is being made, it is hard to understand what our business is. For a business, you put together a profit and loss statement and then add a cash flow statement. There are only two issues that we have to deal with so we can see the subsidy. That information needs to get to all members of the community. We need to finish the popular report for capital. The last thing is short term rentals and what is that impact so we can consider that impact for rates for services. He is presently working with the committee on regulations. He has met with the realtors and property managers so we can take a position to work with Washoe County.

Trustee Dent: On the effluent pipeline, we have been overspending and under collecting so he agrees that is an important issue; are you in favor of acquiring the DWR building. Mr. Hess said no. Renting some space from them might be possible and the way it was presented was incorrect. A whole different approach is needed as it was not appropriate.

Trustee Dent: If appointed, will you run for election. Mr. Hess said yes.
Trustee Dent: If not appointed, will you run for election. Mr. Hess said yes.

Trustee Dent: Can the Board hire and fire Staff. Mr. Hess said no as that would make it hard on Staff and the General Manager has that control; the Board can hire and fire the General Manager.

Trustee Dent: Why do you want to be a Trustee. Mr. Hess said we have reached a stage where we need to resolve our issues and move beyond personal attacks; this should be a non-partisan position. He remembers going to the Bonanza meeting and then having a friendly Board meeting.

Trustee Dent: Are you part of the interview panel that is hiring the Director of Finance. Mr. Hess said yes. Trustee Dent: Are you enjoying that process. Mr. Hess said yes and that the top two candidates were a majority and that there was a clear winner in that group. Trustee Dent: Have you spoken to any members of the public

that were privy to that information outside that group. Mr. Hess said no.

Trustee Morris: He appreciates the attention that you showed when you dove into the fund balance stuff and the time you spent looking at that. What else do you know about the Community Services side as you mentioned utilities and general financial reporting so can you expand on other aspects. Mr. Hess said he uses the beaches and loves the beaches as he launches his boat from Ski Beach. He also has used the Recreation Center. He finds the community services to be extraordinary and available for us. We will be stressed to keep that quality and service by taking other actions. Trustee Morris: Do you have specific thoughts on that. Mr. Hess said we need to look at our assets because some are only good for four or five months and that they are probably unable to bring to fruition but that they may grow a little bit as well as recognizing that a large part of our population is second homeowners and transitory. We need to structure it that way and do creative things to make it work. He is on a non-profit board that helps the disabled get employed and that they couldn't make money and keep the donations coming in so he convinced the Board to change and it is now totally self-funded. Sometimes, you have to go through that thought process. Trustee Morris: Regarding Diamond Peak, are you in favor of summer operations. Mr. Hess said turning it into things that people can use, there is no reason why that can't be considered.

Chairwoman Wong: If you were given this appointment for a year, what would you like to be your biggest impact or legacy. Mr. Hess said he wants to accomplish two things – resolve the pipeline and what to do about it and making and financial information usable for people. Those changes can be simple and done without Staff work such that we can report it in a more readable format.

Mr. Hess gave his three minute closing statement.

At 6:55 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 7:00 p.m.

Candidate Tony Lillios

Mr. Lillios gave his two minute opening statement.

Trustee Callicrate: Are you now or have you ever been a member of TruBlueFacts or affiliated with Jim Clark. Mr. Lillios said no.

Trustee Morris: Appreciate that you do participate in all that IVGID offers. As you look at IVGID, the Board, and Senior Staff, what are the major problems that you could assist with. Mr. Lillios said he sees more opportunities than problems and was shocked that all of you are more aligned than you let on. Opportunity wise, we have such incredible natural resources, he would like to build on that and use that as it is an incredible opportunity. We are kind of stalled a bit so let's ride out that work and continue to evolve and maintain and expand our amenities in a reasonable way that serves the community.

Trustee Morris: There are different opinions out there about the financial operations of IVGID; can you talk about how you have researched up to this point and your opinion of where we are at. Mr. Lillios said he appreciated a third party look at our financials. The role of our Board is to manage the General Manager and push and get the information. The role of a Board member is not a Chief Executive Officer as that is the General Manager but rather to get enough information and be confident in that information and staying at that level especially as the public is pushing. You are visionary and looking at the much bigger picture and not brought down to the fine details; he was surprised that during financial conversation how the Board was into the details.

Trustee Dent: What is the most important issue facing the District. Mr. Lillios said that the venues are shoring up the subsidies like golf. Some amenities, we expect a subsidy as it is a benefit for all of us such as the Recreation Center. Golf, would like to see them receive less and work with them to shore that up so they are not taking as strong a subsidy. A little more financial acumen could go a long way.

Trustee Dent: Are you in favor of acquiring the DWR building. Mr. Lillios said that ties into the bigger question, with the Administration building, that it has a useful life span so what is the bigger plan. It should be considered but he hasn't seen enough options but it is an option because something has to happen.

Trustee Dent: If appointed, will you run. Mr. Lillios said he can't answer that right now and that he sees himself as a bridge to the next election

and to fill in and get us to the next election and learn. He just doesn't know and while he would like to say yes and have that impact, it is too early to call. Trustee Dent: So if you aren't appointed, is it too soon to decide if you will run. Mr. Lillios said absolutely but now he has been engaged. Prior to three years ago, a large part of majority has been sleepwalking because great things were going on. Things could be better as there is so many possibilities. It's like the Wizard of Oz and that the curtain has been pulled back and so we have gotten to see and now we can get involved because there is a lot we can do. Yes, he will put his name in if not appointed. Trustee Dent: So if you are appointed, you are not sure if you will run and if you are not appointed, you will put your name in to run. Mr. Lillios said he does intend to put his name in, yes, as he is engaged now. If he was put on the Board, it is too early to make a decision on continuation as he doesn't like empty promises.

Trustee Dent: Do you believe Trustees can hire and fire Staff. Mr. Lillios said the Board manages the General Manager and Counsel. Trustee Dent: What about creating a new position, can we fire someone. Mr. Lillios said that is the General Manager's role however perhaps we could guide in that direction but he wouldn't want to circumvent the process so he would work with the General Manager and then he works with that team. Trustee Dent: So your answer is yes you could but go through the General Manager. Mr. Lillios said no, advocate but that it is the General Manager's role.

Trustee Dent: Why do you want to be a Trustee. Mr. Lillios said he now feels compelled to step forward because he has the skills, has the time, has a family that is growing, and he wants to lay out the carpet for his children's childhood and have an impact. He knows how to make a cultural impact and be another platform to make impact and change. IVGID is unique and it feels much more familiar and distinct from running a private company.

Trustee Dent: Given that you believe that we should maintain and possibly expand, should Diamond Peak have summer operations. Mr. Lillios said that the first thing that comes to mind is Disneyland or Heavenly so in looking at the revenue projections, yes, he is for summer operations. The vision is much more limited; with the canopy tour, being able to have access to that as an amenity would mean access to a view and access to summer operations at Snowflake.

These are assets that sit dormant so let's use them. If the numbers add up, let's do so and be more in the black.

Trustee Dent: Expanding Diamond Peak operations to summer and putting in potentially new operations would they have to break even or make money. Mr. Lillios said as a general question, and without specifics, we are not going to make money on parks, the Recreation Center is a town amenity so he is not expecting that to run in the black. As to opportunities with existing facilities and running them much more profitably, the answer comes from hashing it out honestly and seeing if the opportunity is there. Other low hanging fruit, like the beach house, we can run it better, serve the community, and run it profitably.

Mr. Lillios gave his three minute closing statement.

At 7:23 p.m., Chairwoman Wong called for a five minute break; the Board reconvened at 7:28 p.m.

Candidate Alec Flores

Mr. Flores said he is no longer interested in applying for the position of Trustee.

III. Discussion of Candidates by the Board of Trustees

Chairwoman Wong thanked all the candidates and encouraged them all to run. The Board has received a lot of e-mails and they appreciate that input and they all do listen to public comment. Chairwoman Wong said that she wanted to follow the method that we have used the last time there was a vacancy on our Board and asked the Board members to list their top three candidates. She would like to offer a recess and asked how long the Board would like. Trustee Morris said he would appreciate a few moments to gather his thoughts but that it doesn't need to be very long – ten minutes.

At 7:31 p.m., Chairwoman Wong called for a ten minute break; the Board reconvened at 7:40 p.m.

Trustee Dent said that he would like to thank all the candidates for putting their name in as he knows what it is like. You think everyone will think your ideas are great and that doesn't change when you get up here. Thank you for preparing and

taking it seriously and getting vulnerable. For those candidates in March, he looks forward to being on the campaign trail with them and welcomes the new faces and new names. He is looking forward to campaign season as all are great candidates. He wants to go back to doing what the community wants. We could get most up to speed and who has been attending meeting and who we can work with. When putting his list together, he took that into account as well as who has the organization and priority mindset, project management, similar way of thinking to his, ability to cut through an issue and move on. Trustee Dent then said that his three candidates were:

Sara Schmitz
Sara Schmitz
Sara Schmitz

Chairwoman Wong asked for candidates beyond Ms. Schmitz. Trustee Dent said that is all he is willing to do. He has one hundred e-mails from this community and the top thing is to do what community wants. Ms. Schmitz has been vetted by the community and she received 2400 votes in the last election so Ms. Schmitz is his first, second and third choices.

Trustee Callicrate said thank you to Trustee Dent for stealing all of his thunder. Thanked all for watching this evening and taking time away from your busy schedule. To all the candidates, thank you for putting your names in. He has both won and lost and has been in your position right after the election. Thank you for bearing your soul to God and country. There is one individual that he was honored to campaign with and that is Sara Schmitz. She came in fourteen votes behind him and he respects her integrity and knows her to be an honest person. She brings to the table organization skills, she is pragmatic and willing to listen. She can be a consensus builder in small groups and in the public's eye. For her to have started the Community First organization, it has been an invaluable source to get information out to our communities of Crystal Bay and Incline Village. Ms. Schmitz could have slinked away. She didn't contest the election even though there were some opportunities. She felt it was a time of healing so she started the organization with other folks and to build on her name thus showing that she is a person of integrity and upstanding merit. She was a top executive and did what she said and opened up communications. She has reached out to our employees. Employees that have been concerned or have felt off put or misconstrued, must answer to the community. In hiring a General Manager, who deals with the employees, we, as a Board, answer to the community that has elected us and Ms. Schmitz came in fourteen votes behind him. It is fair for her to be the appointed individual and she has to prove herself. She will run in next year's elections and it is tough but she is

up to that. If one is unable to fulfill campaign promises, then they won't be elected and the decision will be made by them. Hope other candidates will put their name in as it was a rough election. Thank the community for the last election. Sara Schmitz is the only candidate that he would like to proffer forward. He appreciates everyone being here this evening and he hopes to get to know everyone better. Thank you Michaela for putting in. This is not an affront to others rather it is the right and just thing to do and listen to the community.

Trustee Morris said he finds it very concerning that his two colleagues have said that everyone is good but that they can't work with them and that is the implication because of no number two or number three and that is a tragedy. Our public has commented that the Board members never negotiate, compromise or talk to each other and they have asked us to change that dynamic and not have a no, no, no at every vote. Now you have to get behind the community when we have to do something that is good for all of the community. Thank everyone for putting their name in and he too has gone through an election. Thinks there are some good candidates and it was very illuminating tonight to hear the responses to the questions and one thing he was interested in was rather than talking, it was performing. Met with any members of Staff, it was interesting to hear some that haven't and that he was actually surprised as he didn't expect that response as he thought they would have been engaged. It is really important to have a good cross representation, not just the electorate, but represents all of Incline Village and Crystal Bay and those that didn't vote for us and have differing opinions which is why we have debates and come up with the decisions that are good for the community. If one only talks to others of like mind, and he has seen a demonstration of that, he has three candidates that he could work with and move forward with on this Board whether it is for fulfilling out the vacated term or to run in the next elections and they are listed in alphabetical order by first name:

Michaela Tonking
Mike Hess
Tony Lillios

Chairwoman Wong said that in going through this process, her top candidates have been fluid throughout these interviews. She had top candidates when reading through packages, had different top candidates based on conversations with individuals that reached out before I get to the interview so I know what I am in for, and now her top three has changed as we have gone through the interview process. We have great candidates willing to work with and whom she would be pleased to call a colleague – hers are the same as Trustee Morris':

Michaela Tonking
Tony Lillios
Mike Hess

Chairwoman Wong continued that she is disappointed that two of her colleagues aren't willing to participate in this process because there are some great people who have put their name in the hat and are what we need. We need somebody with some fresh eyes to help us to build consensus because we are at an impasse right now.

Trustee Callicrate said that he takes offense with the comment about not working with any of these candidates as he could certainly work with anybody who is on the Board. He has tried to work with his colleagues and he worked with former Trustee Horan and we came to some good decisions so don't put words in his mouth. The reason why he is choosing Ms. Schmitz is because he was one of the two thousand three hundred individuals who voted for her in the last election. He is all for her for one data point and that is that she went out and campaigned and allowed the community to ask probing questions. She went through the debates and he feels that the community spoke loudly and clearly for one of the seven candidates. That doesn't mean he won't work with whomever, this is about an appointment for who has been at the meetings. Regarding Ms. Schmitz's response that she didn't meet with any of the Staff, she didn't want to take up their time so that was misconstrued. We knew this was going to be an impasse.

Trustee Morris said he didn't know that.

Chairwoman Wong said she didn't know that.

Trustee Callicrate said that the community did and you can spin it anyway you want. If anyone from the Washoe County Commissioners is watching, you will be choosing. Having been a thirty five year member of the community, he hasn't seen a more raucous Board. He has tried to reach out but he is unwilling to choose a two or a three as he is choosing Ms. Schmitz and that is where he stands.

Trustee Morris said that he wants the community to really understand where so much of the rancor has come from over the period of time and that it has just been explained, he is not willing to work with anyone or compromise, and that is his opinion. He would be willing to accept x or y or z and that that doesn't come forward, demonstrates no spirit of compromise. If you knew this outcome then he would have wished that you had said something earlier and that you were not willing to compromise to move this community forward. If these candidates knew

that they had to put their name forward nine months ago, that is one thing but this is not a community election rather this a Board of Trustees appointment. That there was only one person who stood in the election last year is irrelevant. Regarding the number of people who contacted us, he would like to understand that more from Trustee Dent because he was impressed with all the input that we received i.e. e-mails, verbal input, etc. and we have got to compromise. It is really unfortunate that we have two Trustees who want to abdicate their responsibilities to down the hills because we will get our candidate that way; it is diabolical.

Trustee Dent said what he hears Trustee Morris saying is that compromise is by working this way. Trustee Morris said that you are saying do it this way or do nothing. Trustee Dent said that Trustee Morris is talking to us like we are not compromising and that it would turn it around and say the same about you. Sixty three percent of the people voted for Ms. Schmitz and he is the top vote getting in Incline Village so let's do something for the electorate. He is trying to do what the community wants and he has no ego and he doesn't care except to fight for what the community wants. The community sent over one hundred e-mails. This has been going on way too long, it gets marked as spam, and it doesn't get to him. He got nearly one hundred e-mails for Ms. Schmitz and there is nothing to do by belittling her much less the other candidates. You can turn this around on yourself. It is disappointing not to do what they wanted almost a year ago and what one hundred e-mails asked for. As to the top three, we should have discussed the rules prior to creating the rules on the spot.

Trustee Morris said he is always willing to compromise and debate is part of compromise and understanding where everyone comes from and whatever works for the majority of the community. We make decisions for the community and it isn't about who was elected by the largest or smallest percentages. We are now Trustees of IVGID and we are supposed to make decisions as the community looks to us, after debate, and be in the best interest of the community. As strong as he is for some point, he either doesn't get his position accepted or determines that there is another position that he can accept. This is the challenge that we have as a Board of Trustees. We agree on so many issues but we don't act together and he does take issue with the statement about well if only you three would actually do what we want to do. We wouldn't have submitted a budget because the two of you vote no to submit it to the State and then you state that you might agree if our priorities got in there. We are required by law to have these reports go to the State and if we go along with the two of you, it wouldn't have gotten submitted and then do we just sit back and see what happens to our District. We have to compromise and he is willing to compromise and he has said here are his three candidates. Ms. Schmitz is not qualified to be on this Board as she is an activist and an agitator

who won't meet with our Senior Staff so what will it be. Trustee Callicrate said it will be better because since you have been on the Board, you have been work along with the others instead of going on what you campaigned upon on and that you said you could never support bonding unless the community wanted it. You did a one eighty and have done it on several occasions. While you have been in the majority, you have rarely voted on anything that he and Trustee Dent have voted on. We had four budgets floating around only to have it remanded back to us. We have valid concerns and the way the minority has been treated is inconsolable. Unfortunate but that is what has been going on. He is looking to put a third person on the Board and the reason he is supporting Ms. Schmitz is because he has seen her interact. Regarding your comments, she created Community First which is a wonderful group and there are eleven hundred people that read their newsletter. The reason he pulled himself off social media is because it was ugly. We can turn this around and he said way back that he would like to appoint the next person in line to elevate all the drama, etc. To the candidates who are looking to be appointed, this is normal, welcome to the Board. He can work with any and all. He wants to go with the last election as it was a general election that was thirteen months ago and it is pretty close to where we are now. It is unfortunate that we can't come to what the community wants but the community isn't surprised. We are at an impasse and at each other's throats and we have more commonalities than not but when we sit at this table we devolve into emotional outbursts. He is speaking for himself, he is not willing to compromise, he is going to support Ms. Schmitz because she deserves to be appointed and he is going to maintain that tack. He knows it is tough to hear their names but this is part of the process and he thanks everyone. His position doesn't mean that he doesn't care and he hopes that this is all he is going to say because we have all said how we feel and where we stand and he doesn't want to get into another back and forth and he apologizes for blasting out as that is not a good way to act.

Chairwoman Wong said she is going do something for the first time in four years and that is to cut off this conversation as it is clear that we need someone who doesn't bring deviousness and that she is disappointed and embarrassed that this is not going to be our decision. Chairwoman Wong said that she would like to take a ten minute break to have a discussion with the Interim District General Manager and District Clerk.

At 8:17 p.m., the Board took a break; the Board reconvened at 8:35 p.m.

Chairwoman Wong thanked everyone for the break as she needed to talk through all the options in the process. This Board has thirty days to appoint which ends on

January 8, 2020. The question she would pose to each Board member is do you think anything could change before that time frame.

Trustee Callicrate said he doesn't know. Chairwoman Wong rephrased her question and asked if waiting and having another discussion was something this Board wanted to do or do they want to send it to the Washoe County Commissioners now.

Trustee Callicrate said he made his comments and he stands by who he supports for his choice. If Trustee Dent does too then coming back in thirty days is a waste of time. He doesn't see a change but he could be completely off base. He does respect your opinions and you have your opinions on your decisions and he has his and Trustee Dent has his. It doesn't look like that is the case right now.

Trustee Morris said this is unfortunate and that he does want to say that he is extremely sorry to the seven other candidates who were lead on in this process and he thinks that his fellow Trustees Dent and Callicrate has been extremely disingenuous going through this charade and going through the interview process when there was never anything to do because they had already decided what they were going to do. He would like the Board to debate but rather we huff and make statements but we don't often debate the issues and that he thinks that the art of debate is missing in society in general and that it is certainly mission on this IVGID Board. We need to debate the pros and the cons and ask have you thought about this or that or have you considered that – we don't do that and he is just really sad for the community that the Board of Trustees who are relegated to make decisions on behalf of the community are abdicating. If we aren't all open to debate, then we will just go around and around. He would like to express his sorrow, sadness, and disappointment to the candidates who came forward because they should have been told there is no hope for you.

Trustee Dent said that the question was do we need more time and if we debated this in thirty days would that make a difference; he would say no. He represents the community and this community has spoken. By not voting for Ms. Schmitz, we are not listening and he is not about to piss off this community and not listen to them especially going into a campaign season. He wants to stay consistent and he sees no other option because she is up to speed which takes a year to a year and half. If he gets re-elected in the fall, he wants to move forward as we will be talking about Ordinance 7 and he wants to do that next year. Voting for Ms. Schmitz is the only vote that represents the people of this community and that is why he stand behind Ms. Schmitz. The question to Chairwoman Wong and Trustee Morris – is this a possibility that we could save face and one of you be in favor being that

all of us have been sent an e-mail by Washoe County Commissioner Marsha Berkbigler saying that Ms. Schmitz is the right choice. Washoe County Commissioner Berkbigler is basically telling us or kind of telling us what her move could be. So let's save face as a Board and reach compromise to support a candidate that has been vetted in the community and is active in this community; is there any way to save face and support Ms. Schmitz.

Trustee Morris said it is not about saving face at all and the art of compromise is not do it my way or to heck with it rather his idea is let's find out if there is way to work with somebody. Trustee Dent just commented that in his opinion there is no one more prepared than Ms. Schmitz. It is his opinion nobody is more prepared than Mr. Hess because of the detailed work he has done so to him Mr. Hess could be the most prepared candidate. There is no face saving needed here. He would ask Trustee Dent the same and about the charade of having these other candidates. Why didn't you go on the record with your support of Ms. Schmitz at the start of this meeting? It is not a compromise to say save face or go to heck.

Chairwoman Wong said that she stands by the fact that Ms. Schmitz is a polarizing candidate and that she can't go there right now. Obviously, if she is appointed by the Washoe County Commissioners, she will work with her. We have other candidates that are knowledgeable and bring a fresh perspective as well as that will be consensus builders; this is really sad.

Chairwoman Wong made a motion to send this decision to Washoe County and have them consider the four candidates that have risen to the top and ask them to choose from one of those four candidates. The motion failed for a lack of a second.

Chairwoman Wong made a motion to send the decision to Washoe County Commissioners tomorrow. Trustee Callicrate second. Trustee Morris said he will not support this motion. Trustees Wong, Callicrate, and Dent voted in favor of the motion. Trustee Morris voted in opposition. The motion passes.

IV. Recommendation of Candidate (Motion) by the Board of Trustees

Not applicable.

V. Appointment of Individual Selected to fill vacancy (Motion)

Not applicable.

F. OATH OF OFFICE – APPOINTED TRUSTEE (performed by Deputy Washoe County Clerk Ms. Susan Herron)

Not applicable.

G. PUBLIC COMMENTS

Mike Abel said that Chairwoman Wong came to this meeting and developed an artificial concept of selecting three candidates that was not discussed with the others. Trustee Morris' nasty accusations are a reflection of his poor attitude of doing anything. Ms. Schmitz got over two thousand votes and over one hundred e-mails have been sent endorsing her. This has been a feckless Board for four years and the only project we have done is the culvert. There have been no major projects and no movement on the effluent export pipeline or on the pond. To say that this is not an election, you are wrong bro, absolutely wrong. Do you think that Washoe County Commissioner Berkbigler is going against twenty two hundred people – we are going to support Ms. Schmitz and you are going to look like a fool.

Leo Alston said that it kinds of seems like half of the people had their minds made up before they came to this meeting so why did you have these people go through this process.

Kerry Tonking said that we can tell that there is a bias and that she has been back in town for two years and in full disclosure she does work for IVGID. She has been extremely involved in following what is going on with this Board. She would complement Ms. Schmitz as she has gotten to know her and she does great work. She has gone to many of her Community First meetings and she would complement her for the work she has done. Unfortunately, as much respect as she has, she might be a polarizing candidate when you look at what we need. No one comes to these meetings or who watches them leaves without a sour taste in their mouths. She doesn't think any of her friends have felt good when they left either. What they want is to have a Board that can work together and then when the election comes, they will decide. What the community needs is a Board that can work together.

Tony Lillios said he is disappointed and that Ms. Tonking nailed it. This is not about whether we do or don't want Ms. Schmitz rather it is that we want to move on. It is a new day and we were so hopeful that you could let the past go and go forward from this point. All four of us are so different and that was a crazy discussion. There

are four wildly different candidates that you couldn't even talk about. We want a Board that represents the community and none of us were present at the election and Ms. Schmitz lost. If the process said, and if that was the real way to do that, then the process would have said that. This is not process rather it is the process that you put us through and then you have no discussion; he is super disappointed. Further, we have a Washoe County Commissioner who is already stating who she would vote for. You need to come together and get out of this rut and by saying she ran with me or she agrees with me then this becomes a partisan Board and you need to work towards non-partisan and get out of this rut. This was disappointing.

Margaret Martini said that she really takes offense that it was a preconceived notion that Ms. Schmitz would be polarizing. She has presented a lot of different views, she looks at things, she is well versed in almost everything that has to do with IVGID and she has come forth and said things whether she agrees or disagrees but she makes up her mind. The pre-conceived notion that she is polarizing is a gross error by two members that wouldn't even consider it. Ms. Martini continued by stating that she has been in the community for thirty years and there were things said by two members about zero based budgeting. Ran on venues being breakeven or making money or they would be gone. There were campaign promises that were made just as campaign promises with no intention of being kept which is offensive. Ms. Schmitz didn't make idle campaign promises like zero based budgeting, accounting, etc. She looked at everything, read the documents, and it is a big mistake to have not voted Ms. Schmitz in. This is a no brainer and this is an appointment on who has the best knowledge to make the decisions that are on the plate and now we are where we are which is nowhere. Three top candidate thing was a power play.

Frank Wright said oh my god Trustee Morris you made a statement that doesn't matter – the electorate doesn't matter – what is wrong with you. There is an extremely qualified candidate, you are involved in a judgement where you have forty six people that you didn't pay them their salary nor their overtime and you are insane. You, Chairwoman Wong, you have a qualified candidate yet you are sending it to Washoe County because you won't compromise. You are saying it was pre-determined by this two is unbelievable. He is embarrassed for this community for not doing this. You are deathly afraid of him getting on this Board. Jim Clark has been neutralized and so those days are over. People lied tonight about their association with Mr. Clark and that is going to come out. You were asked at the Republican Women's luncheon and you lied and you have been lying. To Trustee Morris, you going after fellow Board members for having their idea about who they wanted, well, I had that idea but I still applied. People in this

community are going to figure out, when this goes to the Washoe County Commissioners, that it is sad that it went this way as we asked you to do the right thing but you weren't born that way.

Brad Johnson said that the Board has made your decision and the Washoe County Commissioners will appoint and you will get a new Board member and you will move on. As a body, you have to find way to do the business of the District. You have to make the sausage. You don't have a General Manager, you don't have a Chief Financial Officer, you are shopping, he knows because he has hired some of them. You have to come together and govern. You are going to get a fifth Board member so you must find ways to work collaboratively and move this District forward.

John Eppolito said thank you for doing through this process, God bless you, and that he didn't want to come up here. There might be some other candidates out there but there is one person who is committed, paying attention, and doing the research. Chairwoman Wong, I find you to be the most divisive as you just closed your eyes and while you can do that, he finds it frustrating to say the least. The only one is Ms. Schmitz as two thousand and some people voted for her. Washoe County Commissioner Berkbigler understands who we voted for and who we want; he is rambling on and is very frustrated.

Sara Schmitz said thank you for your efforts and appreciates all the candidates and getting to know them better. As to her polarizing the community, Ms. Schmitz read the Community First mission statement and said that this is not a polarizing statement rather it is a uniting statement and that after the last election, that was polarizing. We need to unite the community be sharing objective information and that she is proud of the work we have done which she looks forward to continue to do. She was disappointed after having conversations with Trustees Wong and Morris after she shared how she has brought teams together and acquired companies. She is concerned about their jobs and security and through acquiring other companies and integrating one company into other companies, it takes leadership and communication. She hopes that she has shared that with the Trustees as there is an opportunity to do some team building and work with some ideas to present information and be positive and constructive and a fun place to be. She is too concerned with Staff and working together and it is shown with the Community First mission statement and she is sorry that she has an incorrect perception of her.

H. ADJOURNMENT (for possible action)

Minutes
Meeting of December 18, 2019
Page 30

The meeting was adjourned at 9:08 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.

Submitted by Aaron Katz (2 pages): Written statement requested to be included in the written minutes of this December 18, 2019 Special IVGID Board Meeting – Agenda Item E – Filling vacancy on IVGID Board of Trustees

Submitted by Gwen Paul (1 page)

Added by Trustee Matthew Dent, by request, at the January 22, 2020 Meeting - Public records request regarding letters of support (3 pages)

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS DECEMBER 18, 2019 SPECIAL IVGID BOARD MEETING – AGENDA ITEM E – FILLING VACANCY ON IVGID BOARD OF TRUSTEES

Introduction: Here the IVGID Board considers filling the vacancy created by former Trustee Phil Horan's resignation, effective December 10, 2019. For the last twenty (20) or more years trustees have in essence been selected (through political support and financial contributions) made by Incline Village's behind the scenes "wizard" or puppet master, Jim Clark, and his merry men. These are this community's "favored collaborators." The "takers" in our community (led by the 250 or so core golfers) who view IVGID as the donor of special privileges and benefits paid by the rest of us. And this explains why we've had as many problems as we have in Incline Village. Unless current members of the Board stand up and put a stop to Mr. Clark and his ways, that will be the case today. And this is the purpose of this written statement.

If You Don't Believe Me, Look What Mr. Clark Did to Judy Miller When She Ran For IVGID Trustee: Don't we remember his disingenuous "Holy Matrimonial" signs, direct mailers and other advertising directed against Judy having nothing to do with legitimate local issues?

If You Don't Believe Me, Look What Mr. Clark Did to Sara Schmitz When She Ran For IVGID Trustee: Don't we remember his hateful "Tru Blue Facts" signs, direct mailers and other advertising directed against poor Sara having nothing to do with legitimate local issues?

If You Don't Believe Me, Look What Mr. Clark Did to Jim Smith When He Ran For IVGID Trustee: Don't we remember his latent coup which ousted poor Jim Smith from his position as IVGID Chairperson? And before then, don't we remember how he hand picked Jim to be part of the "SAAVE" ticket (George Del Carlo, Jim Hammerel and Jim) for trustees? Jim excised himself from the ticket when Jim Clark sat Jim Smith down and told him that support would be withdrawn unless Jim Smith did as Jim Clark directed.

Kendra Wong is a Jim Clark Disciple: Don't we remember how Jim Clark supported Kendra and Bruce Simonian during the most recent election for IVGID Trustee?

Peter Morris is a Jim Clark Disciple: Here's a guy who nobody knew, who essentially never came to IVGID meetings before his candidacy, and voila he captured enough votes to be elected.

Watch Who's Jim Clark's Disciple Tonight: If you want to see who that person is, watch who Mr. Clark's other Board disciples (Kendra Wong and Peter Morris) select to fill Mr. Horan's spot. I think I already know who that person is, however, I will let events play out so the remainder of the Board and the public can see who that person is (hint: he's not a woman).

It's Important the Public Learn Who This Person is Because He's Not Going to be Selected by the Board as a Whole Tonight, and Come the Next Election For Board Trustee a Year From Now, He's Likely Going to Be Jim Clark's Hand Picked Candidate to Avoid:

Conclusion: A friend of mine once told me that when dealing with an unscrupulous individual like Jim Clark, it's important to turn on the light and watch the cockroaches scatter. Well tonight we're going to turn on the light. And let's see who scatters.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

Hello Board Members, Interested appointees, and fellow Incline community members,

My name is Gwen Paul, I am an Engineer here in Incline and have been a resident all my life except for my time attending college in New York and I currently reside at 580 N. Dyer circle. I am here to show my support for Michaela Tonking for IVGID board member.

When I returned to Incline from school in 2015 I began paying attention to the Board and IVGID activities in general because I'm an avid golfer, I frequent Incline Beaches as much as my job allows in the summer, and I am certain I have shared a chairlift with a few of you at Diamond Peak... So, it only seemed right for me to learn more about the governing body of my town and the effects it has on the activities and amenities it offers me.

As a result, I attended several... the word that comes to mind is contentious but let's call them "passionate" meetings and debates during the 2016 and 2018 election cycles and I was left with such a sour taste for politics in this community that I wasn't sure I wanted to have a voice in local politics at all and I am certain my opinion is shared by some people here. So, when I learned Michaela had interest in running for this position, I became excited about the opportunity to have someone with the integrity, patience, and frankly the strength of a lifelong connection to Incline representing this community.

I mean no disrespect to the current, future, or past board members when I say this... but I believe this vacancy brings with it a huge opportunity for the Board to bring in a candidate that understands this town and has the ability to mend Incline politics so that it becomes more transparent, more unified and more representative of the passionate and caring humans that call this place home. There are a lot of different voices in this town and we will always have our differences, but with the right leadership we can learn to respect each other for them. And I think Michaela can be the person to do just that.

Michaela possess the qualities I look for in a leader. She is pragmatic, caring, and disciplined but beyond all else she loves Incline Village. She jumped at the first chance she received to move back to town and start working for a non-profit trying to change the way education is funded in NV knowing that it was a great opportunity to give back to a community that has given her all the foundation to do so.

There she worked with local state representatives to find resolutions to bipartisan issues involving funding.... An experience that would greatly benefit this Board AND allow her to bring a fresh neutral approach to answering the needs of this enthusiastic community.

Michaela also has the educational background, with 2 master's degrees one specifically in accounting, to understand Incline's unique financial challenges AND the integrity to bring another level of transparency to the Board.

I believe when you couple her unique lifelong connection to Incline, with her impressive educational background and her local political experience, it produces a perfect candidate to represent the concerns of the community and allows her to bring a new perspective to the board that I believe would greatly benefit people of this town.

Thank you for your time and thank you all who have applied for this position I have great respect for anyone who wants to serve this amazing town.

From: [Herron, Susan](#)
To: ["Tony Lillios"](#)
Subject: RE: Public records request for supporter emails
Date: Friday, December 20, 2019 3:02:40 PM
Attachments: [PRR_12202019.pdf](#)

Dear Mr. Lillios,

This e-mail is IVGID's response to your public records request dated December 20, 2019 which reads as follows:

I would like to make a public records request of all the emails sent to the Trustees in regards to the appointment of the new Trustee. I am interested in seeing the emails of support, dissension or anything about the process itself.

I would like to get any newer emails as they come in as well until a new Trustee is appointed.

I have attached the e-mails that I have as of today. I am leaving on vacation right now and if I should receive more, I will forward those to you upon my return.

Have a wonderful rest of your Friday and joyous holidays!

Susan A. Herron, CMC

Executive Assistant/District Clerk/Public Records Officer
Incline Village General Improvement District
893 Southwood Boulevard
Incline Village Nevada 89451
P: 775-832-1207
F: 775-832-1122
sah@ivgid.org
<http://yourtahoeplace.com>

From: Tony Lillios [mailto:tony.lillios@gmail.com]
Sent: Friday, December 20, 2019 2:26 PM
To: Herron, Susan <Susan_Herron@ivgid.org>
Subject: Public records request for supporter emails

Susan,

I would like to make a public records request of all the emails sent to the Trustees in regards to the appointment of the new Trustee. I am interested in seeing the emails of support, dissension or anything about the process itself.

I would like to get any newer emails as they come in as well until a new Trustee is appointed.

Respectfully,

-tony

lillios.com

[Crossing Bhutan](#) is now available to rent/buy

	TONKING	HESS	LILLIOS	SCHMITZ	SHELDON	Undetermined
1	Kryszak	Brechtel	Edwards	Morley	Barnhart	Nugent*
2	Haggerty	Kincade	Pandola	Klein		
3	Kirschner	Aansari	Karwa	DeCaprio		
4	Paul	Ichandani, Mar	Harris	Randolph-Wall		
5	Wright	Lafrance	Stevenson, Katie	Sheldon, Tad		
6	Thomas	McNellis	Pry	Durfee		
7	Biggers	alchandani, Ata	Donohue	Ashton		
8	Nelson	Clark	Fletcher Hardie	Cardinale		
9	Nelson	Tycer	Harssema	Schmidt (opposing Ms. Schmitz)		
10	Tiras	Enstad	Ravens Soli	Smith, Jim		
11	Hyams	Goff	Watts	Hooper		
12		Trimble	Levy	Flaherty		
13		Kline	Stevenson, Anthony	Lowe		
14			Close	Kuchulis		
15			Hameister	Wood		
16			Harris	Conti		
17			Landfield	Seet		
18			Benediktsson	Carrington		
19				Neubauer		
20				Brockman		
21				Flanzer		
22				Demarest		
23				Labrie		
24				Nolan		
25				Holiday		
26				Barnhart		
27				Morgan		
28				Dudley		
29				Miller		
30				Schmitz		
31				Poindexter, Peggy		
32				Monnier		
33				Bronson		
34				Brothers		
35				Haupt		
36				Briggs		
37				Lyon		
38				Del Carlo		
39				Smith, Joanna		
40				Pizer, Julie		
41				Handley		
42				Lahey		
43				Frei		
44				Daulton		
45				Todd		
46				Simens		
47				Pizer, Ron		
48				Homola		
49				Warren		
50				Martini		
51				Chilinski		
52				Simens		
53				Miller		
54				Poindexter, Jeff		
55				Wood		
56				Patzman		
57				Arnold/Kowallis		
58				Olmer		
59				Trossen		
60				Knaak/Wiehe		
61				McInnis-Martens		
62				Dixon		
63				Krusell		
64				Szerman		
65				Minick		
66				Alexander		
67				Mason		
68				Domino		
69				Newman		
70				Modafferi		
71				Heirshberg		
72				Black		
73				Ford		
74				Tulloch		
75				Labrie		
76				King		
77				Dobler, Cliff		
78				Aaron		
79				Gouveia		
80				Rains		
81				Dobler, Iljosa		
82				Eppolito		
83				Hovorka		
84				Appel		
85				Smith, Paul		
86				Moser-Morris		
87				Waldman		
88				Rossmann		

*I couldn't open her attachment

DATE	DAY OF THE WEEK	TIME	LOCATION	MEETING	ITEMS SLATED FOR CONSIDERATION
				2020	
01/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Export Effluent Pipeline Update (Workshop)
02/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Set Budget and Rec Roll Hearing date as May 21, 2020 Utility Rate Study presentation Set Utility Rate public hearing date Guest Access Ticket GM Report
02/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Board of Trustees review of Community Programming (cost recovery pyramid, service levels, and programs provided) Overall budget preview and strategy introduction No smoking policy presentation Set Ordinance 7 Public Hearing Date Accept Tennis Final Design
03/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Overview of Operating Budget including Fixed & Scalability and Sources & Uses Approval of Resident Ski Passes (Consent Calendar) Designation of District's Auditor (see 12/11 memorandums)
03/18	Wednesday	TBD		CIP Tour	Need to move this – determine who wants it; if it is needed; can't happen on 3/18 due to vacation
03/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Review of 2020/2021 Capital Improvement Proposed Budget and Funding
04/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Consider and approve "tentative" budget filing and preliminary Rec Roll Utility Rates (Ordinances 2 and 4) Public Hearing and Approval of Revised Ordinances Contract Award for Ski Rental Equipment (Consent Calendar)
04/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
05/13	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
05/21	Tuesday			Special Board Meeting	Public Hearing on final proposed Rec Roll and 2020/2021 Fiscal Year Budget*
05/27	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
06/10	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
06/24	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
07/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
07/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Review and approve District Indebtedness Report including the Five Year Capital Improvement Project Summary and State Forms
08/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
08/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/14	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/28	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	

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

WCSD Joint Agreement

Split Ordinance (allow 45 days ahead of action)

*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, 2020.