

Herron, Susan

From: Matthew Dent
Sent: Monday, August 10, 2020 8:40 AM
To: Herron, Susan
Subject: Fw: Is IVGID Improperly Using the District's Ad Valorem Taxes?

AC Meeting 8/18/20 Item 4D

Matthew Dent

Vice Chairman, Board of Trustees
Incline Village General Improvement District
893 Southwood Blvd., Incline Village, NV 89451
Cell: 775-530-1345 www.matthewdent.com



From: s4s@ix.netcom.com <s4s@ix.netcom.com>
Sent: Friday, August 7, 2020 7:03 PM
To: Matthew Dent
Cc: Sara Schmitz; Dobler Cliff; Aaron Derreck; Ray Tulloch
Subject: Is IVGID Improperly Using the District's Ad Valorem Taxes?

To Chairperson Dent, and other Honorable Members of the IVGID Audit Committee:

So I happened to examine the web pages for the Indian Hill GID. IHGID provides water, sewer and recreational facility services). It does not charge the equivalent of a Rec Fee.

I came across this:

"The Ad Valorem taxes (property taxes) that Indian Hills residents pay do not fund in any way the Water and Sewer Departments, by law we cannot use the tax funds to assist those enterprise departments. The only way we can support our Water and Sewer funds is the monthly rates charged to residents" (see <http://indianhillsnevada.com/Administration.shtml>).

I ask the Committee to determine through IVGID's attorney if this is an accurate statement and if so, the NRS which makes this statement accurate.

And here's why.

IVGID staff represent that "The General Fund *sole function* is to provide administrative support to the District's proprietary funds" [see page 14 of the 2015-16 CAFR]. Per page 16 of the 2015-16 CAFR "the District's proprietary funds consist of Utilities, Community Services, Beach and Internal Services."

In other words, for years IVGID's financial activities have been unlawful because ad valorem taxes have been used to subsidize overspending in the district's Community Services and Beach Funds.

There's another reason why staff's use of ad valorem taxes has been improper. And I referenced this at the Board's July 22, 2020 meeting.

NRS 350.0045 instructs that where a local government levies ad valorem taxes (and IVGID levies such taxes), premiums on general obligation debt (in other words, our recreation bonds) must be paid with those taxes.

Please investigate this point and if warranted, file a criminal complaint as well as notify the Dept' of Taxation asking them what they intend to do about this?

Thank you, Aaron Katz