

Memorandum

January 2, 2021

To: James C. Lanzarotta - Moss Adams LLP

From: IVGID Audit Committee Member Clifford F. Dobler and Linda Newman

Re: Red-lined Draft Final Report on Evaluation of Certain Accounting and Reporting Matters:
Punch Card Accounting Dated 12-19-2020

The Report stated that “while we find there is a reasonable purpose behind the contra revenue methodology that is not inconsistent with GAAP and the budget requirements of the State, we recommend ceasing the use of the current accounting methodology.”

While we agree with your recommendation, we find that your assessment of the District’s compliance with GAAP, State Law and the State’s budget requirements may be based on a misunderstanding that there is only one Recreation Fee covering all recreation activities, as well as your reliance upon incomplete and incorrect information.

Our initial concern with the Accounting for Punch Card Utilization was the unreported annual transfers of money from the Community Services Special Revenue Fund ("CSSRF") to the Beach Special Revenue Fund ("BSRF"). Over an eight year period that stretches from fiscal year 2013 through fiscal year 2020 almost \$3.2 million has been transferred. Of this amount, approximately \$176,000 was taken from property owners who pay a Recreation Fee for the activities of the Community Services Fund(s) but do not have beach access. These transfers violate GASB Statements #34 and #54 defining Special Revenue Funds as well as Nevada law and the Board’s Resolution establishing these Funds in that the Revenues collected for the CSSRF can only be expended for the Community Services activities and the Revenues collected for the BSRF can only be expended on Beach activities. These transfers further violate GAAP s requiring the matching of revenues with related revenue offsets in each Special Revenue Fund as District Management reports Charges for Services Revenues in each independent Special Revenue Fund, but contra revenues are erroneously matched in a different Special Revenue Fund. As these transfers would not be permissible, they were never reported as required on the State Budget Forms and were not accurately disclosed in the Financial Statements and respective Notes in the District’s CAFRs. Instead, former Management’s concerted efforts to conceal the transfers through the budget process and subsequently through confusing and false information in the Notes to the Basic Financial Statements in the District’s CAFRs seem to indicate a deceptive unwarranted action. These violations should

outweigh acceptance of an accounting treatment created through reliance upon a Board majority approving a Budget process.

We offer the following facts for your consideration:

I. The District collects two separate fees: The Availability of Use and Standby Service Recreation Fee for the CSSRF, Capital Projects and Debt Service Funds and the Availability of Use and Standby Service Beach Fee for the BSRF, Capital Projects and Debt Service Funds.

II. There are two sets of property owners paying the separate fees. For fiscal year 2021 there are:

7,748 property owners assessed both the Recreation Fee and the Beach Fee

455 property owners assessed only the Recreation Fee who do not have Beach access

For clarification, the Fees are assessed based on the number of parcels/dwelling units for residential property owners. For example: a 12 unit apartment complex may be located on one parcel but the property owner would be assessed 12 fees. Commercial Property owners are assessed by parcel.

The Privileges for payment of these Standby Service and Availability of use Recreation and Beach Fees are detailed in Ordinance 7. (Exhibit “F”)

III. Board Resolution No. 1838 effective July 1, 2015 (Exhibit “A”) which established these funds clearly states that all sources of revenues in the Community Services Fund(s) including the Recreation Fee can only be used for the “Recreational activities conducted by the District under NRS 318, *other than Beach locations.*” All sources of revenues in the Beach Fund(s) including the Beach Fee can only be used for the “Recreational activities conducted by the District under NRS 318 for Beach locations.”

To comply with the definitions of Special Revenue Funds found in GASB Statements #34 and #54, State Law and the State Budget requirements, the Board would only be able to budget sources of revenue for the specific activities of each respective fund. State Law and State Budget regulations would be violated if the specific revenues for the activities of the Community Services Fund(s) restricted or committed to expenditures for the activities of the Community Services Fund(s) were collected, transferred and expended for Beach activities. State Budget Forms also require the disclosure of ALL Transfers to and out of ALL Funds. As stated earlier, the District’s Budget Forms do not disclose any transfers from the CSSRF to the BSRF.

IV. The Contra Revenue accounting methodology created by IVGID Management is as follows:

At the out start, it should be noted that these unreported transfers were used to offset Management’s double booking of revenues at the Community Services and Beach venues when the District reported the utilization of punch cards. As you should be aware, when property owners are assessed a

Recreation Fee and/or a Recreation and Beach Fee they are entitled to any combination of 5 recreation passes (picture passes) and/or punch cards. The annual Recreation Fee for the activities in the Community Services Fund(s) and the annual Beach Fee for the activities in the Beach Funds prepay the value of the punch cards, whether or not the punch cards are used at none, any or all of each of these funds' respective venues. This means that the total Revenue for the payment of the Recreation and Beach Fees which include the value of any combination of five recreation passes and/or punch cards are recognized at the time the District collects these Fees. When punch cards are presented at the venue only the difference between the resident and non-resident rate is deducted from the value of the punch card. There are NO actual revenues received at the recreational or beach venues when punch cards are used. Despite this, District management has chosen to report "charges for services" at Community Services and the Beach venues when punch cards are presented. To offset these non-existent charges for services revenues which inflate the actual charges for services revenues at the recreational and beach venue departments, management devised a convoluted and bizarre accounting treatment.

The creation of charges for services revenues when punch cards were used at recreational and beach venues began in fiscal year 2011. Prior to that period, the difference between the resident rate and the non-resident rate deducted from the value of the punch card was not reported as "charges for services revenues" at the Community Services and Beach venues. During the past 8 years, the District assigned a value of \$166 for each punch card issued when the Recreation and Beach Facility Fees were assessed. This equates to 1/5 of the total \$830 of Recreation and Beach Fees collected. Payers of the Recreation Fee without Beach access had an assigned valued of 1/5 of ONLY the Recreation Fee paid. There is no value assigned to the Recreation Passes as the use is unlimited to obtain resident rates at all recreation venues. As defined in Ordinance 7, when a punch card is used at the Community Services and Beach Venues, the FULL value of the difference between the Resident Rate and the Non-Resident Rate is subtracted from the value of the Punch Card. We underscore again, when the Punch Card is presented at the Community Services and Beach Venues, **no cash revenue is actually received by the venues although the District decided to report Revenues from the utilization of Punch Cards.** These reported non-cash revenues are known as the "difference between the resident rate and the non-resident rate paid by the punch cards."

In order to record a charge for services revenue by utilizing a punch card at any venue, an offset of 100% was necessary as no money was received by the District. The offset was considered a contra revenue and reported in the annual CAFR Notes to the Financial Statements as a Significant Accounting Policy called "Punch Cards Utilized."

This contra revenue, however, was not recorded as an offset against where the actual charge for service revenue was recorded in each CSSRF and BSRF venue. Instead, Management, without any Board approved policy, devised a predetermined percentage for each special revenue fund that had

no relationship to where the charges for services revenue were recorded. This method of utilizing contra revenue accounting defies the basic accounting concept of matching the same revenues with contra revenues of the same revenues. It is also a breach of the substance over form doctrine.

For fiscal years 2013 to 2017 the contra revenue offset percentage of the TOTAL Charges for Services Revenues for punch cards utilized was 88% for the CSSRF and 12% for the BSRF. Beginning in 2018 the percentages were adjusted to 85% and 15% respectively.

For Example: In fiscal year 2019 the District reported \$879,000 of **Total** charges for services revenues from utilizing punch cards. \$289,000 was recorded in the CSSRF and \$590,000 was recorded in the BSRF. However, the 100% contra revenue offset (punch cards utilized) was \$757,000 recorded in the CSSRF and only \$122,000 recorded in the BSRF. The net difference of \$468,000 between the two funds required a cash transfer from the CSSRF to the BSRF to pay for the reported charges for services revenues recorded in the BSRF. (See Exhibit "E")

Confused? So were we. Although the total value, also known as 100% of the “difference between the resident rate and the non-resident rate” is deducted from the value of the punch card, Management determined in 2019 that only 15% of this difference would be recorded at the Beach venues when punch cards were utilized and 85% of this difference would be reported at the Community Services venues. This means that the District was reporting 85% of the difference between the resident and non-resident rate as Charges for Services Revenues at the Beaches and 15% of the difference between the resident and non-resident rate as Charges for Services Revenues at the Community Services venues. In 2015, Mr. Dobler corresponded with former Director of Finance Eick for an explanation of the 88%/12% formula used at that time. The email chain attached as Exhibit “G” may provide a greater understanding of this “sleight of hand” maneuver.

Exhibit “B” is a historical summary of how charges for services revenues were recorded from punch card use and the corresponding percentage contra revenue offset. This mismatch has resulted in \$3,173,687 being transferred from the CSSRF to the BSRF over an eight year period. Property owners who pay the Recreation Fee but do not have beach access, unknowingly have had their share (approximately 5.5%) of the Recreation Fee used for contra revenue offsets misappropriated to the BSRF. As of June 30, 2020, a cumulative \$176,140 of their Recreation Fees has been unlawfully misappropriated to the BSRF. These property owners will need to be repaid.

V. Over the 8 year period, the Board approved an annual budget that allocated a portion of the Recreation Fee in the Administration Department of the CSSRF to pay for 85% of the TOTAL “non-cash” charges for services revenues generated by utilizing punch cards. Since a disproportionate share of the reported revenues from punch cards were utilized at the Beaches, transfers from the CSSRF to the BSRF were required (Exhibit B). These transfers from one independent special revenue fund to another independent special revenue fund with different activities was never

disclosed on the State Budget forms, although the State requires that all transfers in and out of funds be reported on the forms. Below is the link of the instructions for completing the forms with page 15 identifying the reporting of transfers:

[https://tax.nv.gov/uploadedFiles/taxnvgov/Content/LocalGovt/LocalGovt_Finance/Form%204404%20FY%202018%20Budget%20Instructions%20-%20Non%20Schools\(1\).pdf](https://tax.nv.gov/uploadedFiles/taxnvgov/Content/LocalGovt/LocalGovt_Finance/Form%204404%20FY%202018%20Budget%20Instructions%20-%20Non%20Schools(1).pdf) Here is a link to the District's State forms for fiscal year 2020:

https://www.yourtahoeplace.com/uploads/pdf-ivgid/5-22-19_Item_I.5_-_General_Business_-_Budgets.pdf Previous year Budget Forms also do not reflect transfers from CSSRF to the BSRF.

The services provided by this Administration Department are identified in the Executive Summary for the FYE 2021 Operating Budget (Exhibit "C"). These services are predominantly "Management & Administration of Ordinance 7 and the Beach Deed" and the "Management & Administration of Recreation Privileges." However, there is no disclosure that Recreation Fee money allocated for this department will be used to pay for charges for services revenues at the Beaches.

VI. Note 1T in the 2019 Basic Financial Statements (Exhibit "D") titled "Punch Cards Utilized" is an attempt to describe significant accounting policies for the contra revenue reporting and accounting. However, there is no Board approved Policy or Practice that validates this 85%/15% Fee Structure for Recreation passes or punch cards. There are several misstatements within the Note as follows:

a) Confuses Recreation passes (picture passes) with punch cards and falsely states that "parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees." Recreation Passes allow the holder to pay the resident rate. Recreation passes can be used an unlimited amount of times with no reduction to their value.

b) "These forms of payment are presented as contra revenue in the Fund statements." There is nothing presented in the Fund financial statements regarding contra revenues.

c) "Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel." The Utilization is actually the contra revenue offset. Parcels do not pay facility fees, property owners do. Also note, that there isn't a total facility fee, there are two separate fees for two independent funds.

d) "Under the 2018-2019 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund." It is unknown what the "fee structure" is and what "this is."

In essence, what this Note is attempting to state is that the TOTAL value of punch cards utilized (the contra revenues offset) will be recorded at 15% in the BSRF and 85% in the CSSRF.

VII. Note 18 in the 2019 Basic Financial Statements titled "Segment Information for Community Services and Beach Special Revenue Funds" (Exhibit "E") began appearing in fiscal year 2016.

According to GASB Statement #34 paragraphs 122-123, segment information can only be used for Enterprise Funds. The intent of the Note was to provide punch card accounting in disguise. The Note provided a column titled "Paid with Punch Cards" to list the amount of charges for services revenues recorded in each recreational venue and within each special revenue fund. The column titled "Punch Cards Utilized" is actually the contra revenue offset in each special revenue fund. The imbalance between the CSSRF and the BSRF charges for services revenues and the offsetting contra revenue is the transfer of money from the CSSRF to the BSRF. This "Net" amount is the undisclosed amount of money transferred from the Community Services division of the CSSRF to the BSRF –which is not disclosed to the State or the citizens in the District's Budget or identified in the District's financial statements.

In conclusion, as correctly stated in your earlier Draft Report, the change to Governmental Fund accounting from Proprietary Fund accounting for the business activities of the Community Services and Beaches (two separate activities) was a personal preference of the District's management staff. However, as part of that personal preference, the District was required to submit to the Nevada Department of Taxation a Resolution creating new governmental funds in accordance with Nevada Administrative Code 354.241 - Creation of Funds.

In light of the State requirements for the creation of these Funds and the Board Resolution establishing these Funds, it should be quite clear that budgeting a portion of the Recreation Fee which is a committed source of revenue for the CSSRF activities for the purpose of paying Charges for Services revenues in the BSRF could not have been considered and was in direct violation of Resolution 1838 and GASB statements on accounting and reporting Special Revenue Funds. The District's punch card accounting was at a minimum inappropriate. The consequences, however, resonate in the District's presentation of deceptive financial statements. This is not a minor matter on many levels. One standout is the District's budgeting of expenses at the Beaches that exceed the actual revenues without these unreported transfers from the Community Services Special Revenue Fund.

In addition, as a result of this punch card accounting which resulted in transferring almost \$3.2 million from 2013 to 2020 from the CSSRF to the BSRF (from 2013 to 2015 reporting was in enterprise funds) created a liability to the parcel owners who paid the Recreation Fee which should only have been used for the recreation activities of the CSSRF. As indicated in item *II.* above, 455 property owners who pay the Recreation Fee do not pay a Beach Fee and do not have Beach privileges. All property owners who pay a Recreation Fee, a Fee that was inflated to provide a portion which was used for a purpose other than the activities of the Community Services venues, have been deceived. Those who pay the Recreation Fee and do not have beach access have not only been deceived, they have been harmed by subsidizing the use of our beaches by others --beaches which they cannot legally access.

Although this Memorandum has far exceeded the desired length, it was necessary to explain the complexities of the District's punch card accounting and its inherent violations of GAAP, State law and State Budgeting.

On another, and final note, in reviewing your Report on the required use of an Internal Services Fund for the District's Central Services Cost Allocation, it raises the issue for the use of an Internal Services Fund to replace operations of the Community Services Administration department. If you take a close look at Exhibit "C" you will see that this department is engaged in activities and incurring expenses that are not part of Community Services activities and include administration of Ordinance 7 and the Beach Deed; District Parcel Data; Commercial Property Owners/Timeshares; Sales of Daily and Exchange Beach Passes, etc. These services appear to be best provided in an Internal Service Fund with the expenses allocated appropriately to the funds receiving the service.

EXHIBITS

- A. Board Resolution 1838 effective July 1, 2015
- B. Historical Summary of Punch Cards Utilized and corresponding Contra Revenues between Funds
- C. Executive Summary for Community Services Administration Department - 2021 Operating Budget
- D. Note 1T to the 2019 Basic Financial Statements
- E. Note 18 to the 2019 Basic Financial Statements
- F. Ordinance 7
- G. Former Director of Finance Eick email chain with Mr. Dobler

EXHIBIT "A"

3 pages



RESOLUTION NO. 1838

A RESOLUTION TO CREATE GOVERNMENTAL FUND TYPE; SPECIAL REVENUE, CAPITAL PROJECTS AND DEBTS SERVICE FUNDS FOR THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FOR COMMUNITY SERVICES AND BEACH FUNDS AS REQUIRED BY NEVADA ADMINISTRATIVE CODE 354.241, EFFECTIVE AS OF JULY 1, 2015

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

WHEREAS, pursuant to Nevada Administrative Code (NAC) Section 354.241, a local government is required to adopt a Resolution to create a fund types covered by Nevada Revised Statute 354.624 5 (a); and

WHEREAS, the District Community Services and Beach Funds provides services as defined under Nevada Revised Statute (NRS) 318, which in effect requires the use of those Fund's fund balance for a specific purpose; and

WHEREAS, on December 10, 2014, the Board of Trustees directed staff to apply for approval of the District's 2015-16 budget by the Nevada Department of Taxation utilizing Special Revenue, Capital Projects and Debt Service Fund accounting for Community Services and the Beach Funds; and

WHEREAS, the District expects to receive notice that its budget is found to be in compliance with NRS 354.598 by the Nevada Department of Taxation.

NOW, THEREFORE, IT IS ORDERED, as follows:

1. Effective July 1, 2015 the Incline Village General Improvement District, Nevada shall establish the governmental fund type Special Revenue, Capital Projects and Debt Service Funds for use by its Community Services and Beach Funds.
2. The table on the last page of this Resolution contains the required elements 1-4 and 6-7 under NAC 354.241, element 5 is met by the existing fund balance of the affected funds.



RESOLUTION NO. 1838

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* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 21st day of May, 2015, by the following vote:

AYES, and in favor thereof, Trustees:

NOES, Trustees:

ABSENT; Trustees:

Jim Hammerel
Secretary, IVGID Board of Trustees



RESOLUTION NO. 1838

A RESOLUTION TO CREATE GOVERNMENTAL FUND TYPE; SPECIAL REVENUE, CAPITAL PROJECTS AND DEBTS SERVICE FUNDS FOR THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FOR COMMUNITY SERVICES AND BEACH FUNDS AS REQUIRED BY NEVADA ADMINISTRATIVE CODE 354.241, EFFECTIVE AS OF JULY 1, 2015

Fund Name	Purpose	Source of Revenues	Short-term Expenditures	Long-term Expenditures	Plan for Fund Balance	Adequacy of Fund Balance
Community Services – Special Revenue	Recreational activities conducted by the District under NRS 318, other than Beach locations	User fees, stand by charges, rents, grant, investment earnings and other income	Operating expenditures to provide recreational activities	Transfers out to capital purchases and debt service to support recreational activities	Meet the minimum necessary to maintain District recreational activities	Consider the District's Board Policy on Appropriate Level of Fund Balance
Community Services – Capital Expenditure	Capital expenditures related to recreational activities conducted by the District under NRS 318, other than Beach locations	Sales of coverage and capital assets and transfers from the Community Services Special Revenue Fund	Operating expenditures related to Community Services capital expenditures	Capital purchases to support Community Services recreational activities	Meet the minimum necessary to execute Community Services capital purchases	Consider the District's Board Policy on Appropriate Level of Fund Balance
Community Services – Debt Service	Debt service expenditures related to recreational activities conducted by the District under NRS 318, other than Beach locations	Transfer from the Community Services Special Revenue Fund	Operating expenditures related to Community Services debt service expenditures	Debt service expenditures to support Community Services recreational activities	Meet the minimum necessary to execute Community Services debt service expenditures	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Special Revenue	Recreational activities conducted by the District under NRS 318 for Beach locations	User fees, stand by charges, rents, grant, investment earnings and other income	Operating expenditures to provide Beach recreational activities	Transfers out to capital purchases and debt service to support Beach recreational activities	Meet the minimum necessary to maintain District Beach recreational activities	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Capital Expenditure	Capital expenditures related to recreational activities conducted by the District under NRS 318 for Beach locations	Sales of coverage and capital assets and transfers from the Beach Special Revenue Fund	Operating expenditures related to Beach capital expenditures	Capital purchases to support Beach recreational activities	Meet the minimum necessary to execute Beach capital purchases	Consider the District's Board Policy on Appropriate Level of Fund Balance
Beach – Debt Service	Debt service expenditures related to recreational activities conducted by the District under NRS 318 for Beach locations	Transfer from the Beach Special Revenue Fund	Operating expenditures related to Beach debt service expenditures	Debt service expenditures to support Beach recreational activities	Meet the minimum necessary to execute Beach debt service expenditures	Consider the District's Board Policy on Appropriate Level of Fund Balance

EXHIBIT "B"

**Incline Village General Improvement District
Summary of Punch Cards Utilized and corresponding Contra Revenues (Punch Cards Utilized)
for the Community Services Fund and the Beach Fund
Fiscal Years 2013 to 2020**

for fiscal years 2013 to 2015 activities were reported using Enterprise Fund accounting
for fiscal years 2016 to 2020 activities were reported using Special Revenue Fund accounting

	Punch Cards Utilized			Sources
	Community Services	Beach	Total	
2013				
Charges for Services	92,571	549,867	642,438	Provided by District
Contra Revenues 88% -12%	(565,345)	(77,093)	(642,438)	Disclosed in CAFR
Transfer	(472,774)	472,774	-	
2014				
Charges for Services	95,023	506,498	601,521	Provided by District
Contra Revenues 88% -12%	(529,338)	(72,183)	(601,521)	Disclosed in CAFR
Transfer	(434,315)	434,315	-	
2015				
Charges for Services	78,396	454,983	533,379	Provided by District
Contra Revenues 88% -12%	(469,374)	(64,005)	(533,379)	Disclosed in CAFR
Transfer	(390,978)	390,978	-	
2016				
Charges for Services	233,379	300,000	533,379	Disclosed in CAFR
Contra Revenues 88% -12%	(469,374)	(64,005)	(533,379)	Disclosed in CAFR
Transfer	(235,995)	235,995	-	
2017				
Charges for Services	334,000	325,000	659,000	Disclosed in CAFR
Contra Revenues 88% -12%	(579,920)	(79,080)	(659,000)	Disclosed in CAFR
Transfer	(245,920)	245,920	-	
2018				
Charges for Services	233,000	691,000	924,000	Disclosed in CAFR
Contra Revenues 85% -15%	(785,400)	(138,600)	(924,000)	Disclosed in CAFR
Transfer	(552,400)	552,400	-	
2019				
Charges for Services	289,000	590,000	879,000	Disclosed in CAFR
Contra Revenues 85% -15%	(747,150)	(131,850)	(879,000)	Disclosed in CAFR
Transfer	(458,150)	458,150	-	
2020 DRAFT				
Charges for Services	247,649	490,592	738,241	Disclosed in Draft CAFR
Contra Revenues 85% -15%	(630,804)	(103,876)	(734,680)	Disclosed in Draft CAFR
Transfer	(383,155)	386,716	3,561	Error in addition
Total				
Charges for Services	1,603,018	3,907,940	5,510,958	
Contra Revenues	(4,776,705)	(730,692)	(5,507,397)	
Transfers	(3,173,687)	3,177,248	3,561	
Parcel owners not able to use Beaches 5.55%	\$ (176,140)	THIS MUST BE REPAYED TO THE 455 PARCEL OWNERS		
Average Transfers per year - 8 years	\$ (396,711)			
% of total Charges for Services paid with PC	29.1%	70.9%	100.0%	
% of total PC utilized Contra Revenue Offsets	86.7%	13.3%	100.0%	

For Fiscal Years 2013 to 2015 no disclosure was provided in the CAFR for the amount of Charges for Services generated by using punch cards. However, the contra revenue amounts were disclosed

By e mail from Indra Winqwest dated March 9, 2020 the Charges for Services generated by using punch cards was provided for fiscal years 2013, 2014 and 2015

**Incline Village General Improvement District
Community Services Administration – Executive Summary
Operating Budget FYE June 30, 2021**

Service Metrics/Season Period

The Community Services Administration is available 364 days a year and operates primarily out of the Recreation Counter at the Recreation Center. Administration Services related to the District's Recreation Privileges are typically offered between the hours of 8:00am – 5:30pm daily.

<u>Service Measure (Visits)</u>	<u>Actual 2018/19</u>	<u>Budgeted 2019/20</u>	<u>Budgeted 2020/21</u>
Recreation Counter visits	144,888	148,000	145,000

Staffing

Total FTE's	3.5	3.7	4.0
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Services Provided

- Management & Administration of Ordinance 7 and the Beach Deed
- Management & Administration of the District's Parcel Data
- Management & Administration of Recreation Pass & Recreation Punch Card Data & Issuance
- Works directly with Commercial Property Owners/Timeshares
- Works directly with Title Agencies on change of title for all parcels
- Works directly with Property Management Agencies related to short and long term rental policies and requirements.

Incline Village General Improvement District
Community Administration
Service Level Outline
Operating Budget FYE June 30, 2021

Community Administration - Daily (364 days)

Service Provided	Frequency
Management & Administration of Ordinance 7 and the Beach Deed	Daily
Management & Administration of the District's Parcel Data	Daily
Management & Administration of Recreation Privileges	Daily
Recreation Pass & Recreation Punch Card Data & Issuance	Daily
Works directly with Commercial Property Owners/Timeshares	Daily
Works directly with title companies on change of title for all parcels	Daily
Works Directly with Property Management agencies	Daily
Sales of Daily and Exchange Beach Passes	May - October
Recreation Privileges Administrative Support for all Community Services Venues	Daily

**Incline Village General Improvement District
Community Administration
Budget Items of Note
Operating Budget FYE June 30, 2021**

Items of Note for Budgeting Fiscal Year 2020-21

Revenue/Sources

- Sources down \$20,000 in Investment Income, otherwise flat year on year.

Expenses/Uses

- Personnel increased by 3% due to inflationary cost of living increases in wages. Wages include allocations of Community Services Management, and Recreation Counter Staff primarily to administer community services operations as they relate to governance of district policies and ordinances, recreation pass and punch card issuance, and management of the district's recreation roll.
- Services & Supplies increased \$7000 (10%). Mainly due to Printing and Publishing district communication material as it relates to community services.
- Overall Community Services Administration is increasing \$26,000. This is due to reduction in investment income and increased personnel costs.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES ADMINISTRATION
PROPOSED OPERATING SOURCES AND USES
FOR THE FISCAL YEAR ENDING JUNE 30, 2021

	Actual FYE - 18	Actual FYE - 19	Estimated Actual FYE- 20	Approved Budget FYE - 20	Proposed Budget FYE - 21	
Sources:						
Ad Valorem Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	
Consolidated Taxes	-	-	-	-	-	
Charges for Services	(758,480)	(730,819)	(750,000)	(748,600)	(738,000)	
Facility Fee	913,137	1,314,976	1,041,781	1,041,781	1,041,781	contra revenue
Investment income	46,083	159,002	55,000	50,000	30,000	
Miscellaneous Revenues	1,398	7,406	8,000	-	-	
Intergovernmental	-	-	-	-	-	
Interfund	-	-	-	-	-	
Central Services	-	-	-	-	-	
Total Sources	202,138	750,565	354,781	343,181	333,781	
Uses:						
Salaries & Wages	144,815	153,065	170,000	183,759	181,948	
Employee Benefits	41,518	43,445	55,000	60,652	70,030	
Total Personnel	186,333	196,510	225,000	244,411	251,978	
Professional Services	6,858	-	-	-	-	
Services & Supplies	42,467	41,213	49,000	71,256	79,068	
Insurance	-	-	-	-	-	
Utilities	7,812	8,562	8,600	8,604	8,604	
Cost of Goods Sold	-	-	-	-	-	
Central Services	18,800	17,000	19,800	19,800	21,300	
Defensible Space	95,228	100,000	100,000	100,000	100,000	
Total Services & Supplies	171,165	166,775	177,400	199,660	208,972	
Total Uses	357,498	363,285	402,400	444,071	460,950	
Net Sources (Uses)	\$ (155,360)	\$ 387,280	\$ (47,619)	\$ (100,890)	\$ (127,169)	

EXHIBIT "D"

2019 CAFR Notes to Financial Statements - Note 1. - Summary of Significant Accounting Policies

Q. Net Position

In the Proprietary fund and the government-wide financial statements, net position is presented in one of three classifications. Net investment in capital assets, restricted and the residual unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. The unrestricted component of net position is the net amount of assets and liabilities not included in the determination of net investment of capital assets or the restricted component.

R. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

S. Central Services Cost Allocation

The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item from the expense category.

T. Punch Cards Utilized

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2018-2019 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund.

U. Implementation of GASB Statement No. 88

As of July 1, 2018, the District adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The implementation of this standard is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The additional disclosures required by this standard are included in Note 8.

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District's checking deposits was \$2,913,075 while the bank balance was \$2,850,508. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

EXHIBIT "E"

2019 CAFR - Notes to Financial Statements

17. DUE TO OTHER GOVERNMENTS

The Nevada Department of Taxation has notified the District of refund of sales tax due another taxpayer, resulting in reductions of monthly Consolidated Tax Distributions. While the exact amount and terms for the reductions is not determined, sufficient information was available to arrive at an estimated \$60,000 liability. The refund applies to taxes received over three years ending in March 2017. The District share of this refund are being made through 18 monthly reductions that began with the July 2018 Consolidated Tax Distribution. The first twelve months resulted in \$28,946 applied to the \$60,000.

18. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS

The District provides recreation functions through two individual special revenue funds. Each serves a different set of venues and customer base. A significant source of revenue for these functions for operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each function and expenditure type. Facility Fees have been listed separately by fund and function. The operating portion of the facility fee is combined with charges for services to provide the resources for providing services. Charges for services are aggregated, while expenditures are provided by function. As stated in Note 1 T, part of the facility fee can be used to pay for charges for services in lieu of other forms of privileges. These are referred to as Punch Cards. The following are major functions included in Charges for Services and the approximate amounts of punch cards activity that is included.

	Charges for Services	Paid with Punch Cards	Punch Cards Value Utilized	Contra Revenue
Community Services Fund:				
Championship Golf	\$ 3,952,989	\$ 25,000	\$ -	
Mountain Golf	690,668	56,000	-	
Facilities	392,246	-	-	
Ski	11,778,871	200,000	-	
Community Programming	1,364,044	1,000	-	
Parks	46,580	-	-	
Tennis	153,435	-	-	
Recreation Administration	<u>(730,819)</u>	<u>7,000</u>	<u>(757,000)</u>	(\$468,000)
Total	<u>\$ 17,648,014</u>	<u>\$289,000</u>	<u>\$(757,000)</u>	Transfer
Beach Fund	<u>\$ 1,492,687</u>	<u>\$590,000</u>	<u>\$(122,000)</u>	\$468,000
District Total		<u>\$879,000</u>	<u>\$(879,000)</u>	

19. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2019 services. As of June 30, 2019 \$92,500 in quarterly deposits are remaining as a part of the subsequent year's budget.

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

**AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS
FOR RECREATION PASSES AND RECREATION PUNCH CARDS BY THE
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

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ORDINANCE NO. 7

*(As amended June 13, 1991; November 17, 1993;
May 8, 1995; June 12, 1995; March 25, 1998)*

**An Ordinance Establishing Rates, Rules and Regulations
for Recreation Passes and Recreation Punch Cards by the
Incline Village General Improvement District**

RECREATION PASS ORDINANCE

**Be it ordained by the Board of Trustees of
the Incline Village General improvement
District, Washoe County, Nevada, as follows:**

ARTICLE I. GENERAL PROVISIONS

1. **Short Title.** This ordinance shall be known and may be cited as the "Incline Village General Improvement District Recreation Pass Ordinance."
2. **Words and Phrases.** For the purpose of this ordinance, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.
3. **Separability.** If any section, subsection, sentence, clause or phrase of this ordinance or the application thereof to any person or circumstances is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance or the application of such provision to other persons or circumstances. The Board hereby declares that it would have passed this ordinance or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.
4. **Posting.** The adoption of this ordinance shall be entered in the minutes of the Board and certified copies hereof shall be posted in three (3) public places in the District for ten (10) days following its passage.

ARTICLE II. DEFINITIONS

When used in this ordinance, the following terms shall have the meanings defined below:

5. **Affinity** signifies the connection existing in consequence of marriage between each of the married persons and the blood relatives of the other.
6. **Agent** means the person designated by an owner to represent the owner in matters pertaining to the assignment of recreation privileges.

7. **Assignment** means the naming of persons to receive recreation privileges.
8. **Beach Pass** means a daily pass, good for one day only, sold by the District allowing entry onto the District-owned beaches.
9. **Board** means the Board of Trustees of the Incline Village General improvement District.
10. **Card Holder** means the person who is in possession of a Recreation Punch Card.
11. **Commercial Tenant** means an individual or corporation who rents, or leases, a commercial property for the purposes of conducting business or commercial activity.
12. **Consanguinity** means a blood relationship.
13. **County** means the County of Washoe, Nevada.
14. **Director of Parks and Recreation** means the person appointed as the department head of the Parks and Recreation Department.
15. **District** means the Incline Village General Improvement District (acting through its duly authorized officers or employees within the scope of their respective duties).
16. **Family** means a social unit consisting of people related to the property owner by marriage and to the extent of the first and second degrees of consanguinity and affinity, including parents, children, grandparents, grandchildren, brothers and sisters, and their spouses. *(See attached Exhibit A.)*
17. **General Manager** means the person appointed by the Board of Trustees as the General Manager of the District.
18. **Owner** means any person owning fee title to the property, or portion thereof, or any person in whose name the legal title to the property appears, in whole or in part, by deed duly recorded in the County Recorder's office, or any person exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.
19. **Parcel** means a single plot of land with or without a dwelling on it, or a single unit within a multi-unit residence as defined by the District Recreation Roll.
20. **Pass Holder** means an individual who has been issued a Recreation Pass.
21. **Recreation** means any leisure or sports facility, program, or service owned, operated or provided by the District, including, but not limited to, beaches, parks, playgrounds, athletic fields, trails, Nordic and alpine ski areas, golf courses, recreation centers, tennis courts, swimming pools, sports leagues, contests, events, classes, and special events.

22. **Recreation Punch Card** means the transferable punch card issued by the District to eligible parcel owners and/or their assignees that can be used to pay the difference between the resident rate and the retail or nonresident rate for access to various District recreation facilities and bears a face value established by the Board. The District can sell additional Recreation Punch Cards to eligible parcel owners or assignees for their personal use as provided in Article VIII, Item 69 herein.

23. **Recreation Fee** means the annual Recreation Standby and Service Charge assessed by the District to finance recreation programs and facilities.

24. **Recreation Pass** means the non-transferable photo identification pass issued by the District for free access to District beaches and for hourly, daily, and seasonal discounts at District-owned recreation facilities. Subject to the familial limitations described herein, the District can sell additional Recreation Passes to eligible parcel owners, residents or assignees for their personal use as provided in Article VIII, Item 69 herein. Additional Recreation Passes sold cannot be used to obtain a resident discount at the District-owned golf facilities.

25. **Recreation Privilege** means any privileges of recreation access or special rates afforded to pass holders or card holders, including the privilege to provide admission for guests.

26. **Resident** means any individual maintaining residence within the boundaries of the District as constituted by law.

ARTICLE III. RECREATION PRIVILEGE ELIGIBILITY

27. **Eligible Parcels**. Each District parcel which is assessed a recreation fee, is eligible to receive recreation privileges so long as the assessment on that parcel is current.

28. **Fees Kept Current**. All property taxes, special assessments and recreation fees on a parcel must be paid for the current and prior years to maintain the parcel's eligibility for recreation privileges. The District Recreation Fee must be paid by October 1 of the year billed in order to continue receiving recreation privileges.

29. **Resident Eligibility**. All residents are eligible for an assignment of recreation privileges, provided that they have proof of residency.

30. **Available Privileges**. Every eligible parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards.

ARTICLE IV. APPLICATION PROCEDURES

31. **Application**. Application for recreation privileges must pertain to a specific, eligible parcel. An application will be accepted when filed on the Application Form provided by the District; when accompanied by proof of ownership as set forth in Section 32; and when signed by any owner of the parcel. The form must be filed with the District's Parks and Recreation office, in person, by fax, or by mail, prior to any issue of recreation privileges as provided by this ordinance.

32. **Proof of Ownership.** Proof of ownership shall be made in one of the following forms:

- (a) Written copy of legal deed of title.
- (b) Confirmation of ownership by the District from the County Assessor's office.
- (c) Confirmation of ownership by the District from a local title company.

33. **Proof of Residence.** Proof of residence shall be made in one, or more, of the following forms:

- (a) Written copy of legal lease signed by parcel owner, or authorized agent.
- (b) Valid Nevada Driver's License indicating current street address.
- (c) Verifiable copies of current utility (phone, electric, water and sewer, etc.) bills in assignee's name.
- (d) Valid Washoe County, Nevada, voter's registration card.

34. **Proof of Commercial Tenancy.** Proof of commercial tenancy shall be made with the submittal of a written copy of legal lease signed by the parcel owner, or authorized agent.

Confirmation must be by written document. Written documents need not be certified; however, the District may require further confirmation of uncertified documents.

35. **Application Acceptance.** Application will not be accepted on any parcel if another valid parcel owner or resident application already exists on that parcel. Any application will expire with a change of ownership, residency or tenancy where no party listed on the application continues ownership, residency or tenancy.

36. **Application Approval.** Upon review and verification of the application by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the application. It is the applicant's responsibility to provide the District with all information required for approval.

37. **Application Amendment.** To update information on the application, an approved application may be amended by any verified owner of the parcel, whether or not that owner signed or submitted the original application form.

ARTICLE V. ASSIGNMENT OF PRIVILEGES

38. **Assignment Procedures.** Assignment of recreation privileges will be accepted when filed on the Assignment Form and when accompanied by an approved application, or when an approved application is already on file, and when signed by any owner listed on the application

or any listed owner's designated agent. The assignment form must be filed with the District's Recreation office, in person, by fax, or by mail.

When there is an assignment of recreation privileges, the property owner and assignor shall be jointly and severally liable with assignee(s) respecting any sums of money assignee(s) owes the District related to the use of recreation facilities, including the use of all District-owned meeting facilities.

39. Agent Designation Any Owner listed on an approved application may designate an agent by filing and executing an Agent Authorization Form. An owner may only designate one agent. The agent form must be filed with the District's Parks and Recreation office, in person, by fax, or by mail. Upon review and verification of the agent form by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the form. It is the owner's responsibility to provide the District with all information required for approval.

40. Multi-Parcel Agent Designation. If one agent is to serve as a representative of all units in a multi-parcel complex, an Agent Authorization Form signed by the president of the appropriate homeowners' association and a petition signed by owners representing at least two-thirds (2/3) of the affected parcels must be filed with the District's Parks and Recreation office, in person, by fax, or by mail.

41. Assignment Acceptance. Assignment will not be accepted, on any parcel, if another valid assignment already exists on that parcel. Assignment will expire with a change of ownership, where no party listed on the application continues ownership.

42. Privileges Assignable - Residential Parcels. Every eligible residential parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards. A Recreation Pass may be assigned to any property owner's eligible family member, or resident, or resident's eligible family member.

43. Privileges Assignable - Commercial Parcels. Every eligible commercial parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards. A Recreation Pass may be assigned to any property owner's family member, commercial tenant principal, or commercial tenant corporate officer.

44. Assignment Approval. Upon review and verification of the assignment by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the assignment. It is the owner's or agent's responsibility to provide the District with all information required for approval.

45. Assignment Amendments. To update information, the assignment may be amended, and may only be amended, by the person signing the original assignment form. Provided, however, that any owner listed on the approved application or a designated agent of any listed owner may add names of persons to be assigned recreation privileges, to the extent additional privileges are available.

ARTICLE VI. RECREATION PASS

46. A **Recreation Pass**, subject to the other conditions and restrictions of this recreation pass ordinance, provides the pass holder:

- a. free admission to all District-owned beaches; and
- b. reduced season pass rates, at District-owned ski and tennis facilities; and
- c. reduced daily rates at District-owned golf, ski and tennis facilities; and
- d. reduced yearly, quarterly, monthly, or weekly membership rates at District-owned Recreation Center; and
- e. reduced daily rates at the District-owned Recreation Center; and
- f. reduced rates for the rental of the Chateau, Aspen Grove Community Building, Diamond Peak Ski Lodge, Recreation Center, and District-owned athletic fields; and
- g. watercraft launching access at the District-owned boat ramp, for a fee; and
- h. guest access to District-owned beaches for a fee; and
- i. any other recreation privileges determined by the Board.

47. **Term of Pass Issuance.** The Recreation Pass of any person will be limited to a term of not less than six (6) months or more than five (5) years. If no term is specified, the minimum term shall apply.

48. **Pass Expiration.** A Recreation Pass expires when:

- a. the stated expiration date has been exceeded; or
- b. the parcel changes ownership; or
- c. the pass is withdrawn or reassigned to another individual by the owner or his agent; or
- d. payment of the District Recreation Fee is delinquent, or
- e. the pass is voided pursuant to this ordinance.

49. **Ability to Transfer.** All Recreation Passes shall be issued for the sole use of the pass holder and are non-transferable.

50. **Responsibilities of Pass Holder.** It is the responsibility of the pass holder to:
- a. renew his pass on or before the expiration date shown on the pass;
 - b. report lost, stolen, or destroyed passes;
 - c. return all valid passes when eligibility to use passes has expired or when asked by the District to surrender the passes;
 - d. be responsible for the conduct of his/her guests and for any liability resulting from the guests' use of the District's facilities, or the guests' presence in, or at, the facilities.
51. **Lost/Stolen Recreation Pass.** A charge of \$15.00 per pass will be assessed to replace any Recreation Pass that is lost or stolen prior to its date of expiration.
52. **Reassignment Fee.** Reassignment will not be allowed within the initial six months of pass issuance except for the following conditions: (a) the parcel on which the pass is issued changes title; (b) the passholder is deceased; and (c) other circumstances that the Director of Parks & Recreation deems appropriate. In the event of a reassignment where the issued passes are not returned, there will be a charge of \$15.00 per pass assessed to the parcel owner. New passes will not be issued for any other individuals unless this fee is paid or the passes are returned.
53. **Ownership Transfer Fee.** A charge of \$25.00 per parcel will be assessed to the new owner of a parcel if the Recreation Passes issued on the parcel are not returned to the District when a property changes ownership.

ARTICLE VII. RECREATION PUNCH CARD

54. A **Recreation Punch Card** provides the cardholder with a face value of recreation privileges, determined by the Board, which may be applied toward:
- a. the difference between the resident rate and the guest rate for daily beach access, daily boat and jet ski launching; and
 - b. the difference between the resident rate and the retail or nonresident rate for daily access to the District-owned golf, ski, recreation center, and tennis facilities; and
 - c. the difference between the resident rate and the retail or nonresident rate for any other recreation use fee or rental fee as may be determined by the Board.
55. **Expiration Date.** Recreation Punch Cards shall have a term of one year beginning on May 1. All Recreation Punch Cards expire on the first April 30th following the date of issuance, regardless of when issued during the course of that year.
56. **Transferability.** Recreation Punch Cards are issued against the parcel and are transferable to anyone.

57. **Replacement.** Recreation Punch Cards will not be replaced if lost, stolen, destroyed or used up.

58. **Exchange for Recreation Pass.** Once the Recreation Punch Card is used, it can be exchanged for a Recreation Pass only if all amounts that appear to be punched are paid for by the card holder and a \$15.00 invalidation fee is paid to the District.

59. **Refund.** The Recreation Punch Card has no monetary exchange value and therefore cannot be returned to the District for any form of refund or credit, except as provided in paragraph 58 hereof.

ARTICLE VIII. GENERAL USE REQUIREMENTS

60. **Use of Recreation Pass and/or Card at Golf.** A maximum of five (5) Recreation Passes per parcel can be used to obtain discounts for daily access for the District-owned golf courses. No other Recreation Passes can be used to obtain daily discounts at the District-owned golf courses, beyond the five.

61. **Recreation Pass or Card Ownership.** All Recreation Passes and Cards are the property of the District and must be returned upon request, and/or upon the loss of eligibility by the pass holder or card holder.

62. **Deed Restrictions.** Parcels annexed to the District after May 30, 1968, are not eligible for District beach access as per deed restrictions listed on the beach property.

63. **Assumption of Risk.** The pass holder or card holder assumes all risk of personal injury to himself and loss of, or damage to, his personal property resulting from use of the recreation facilities.

64. **Fraudulent Use.** False or misleading information to obtain a Recreation Punch Card or Recreation Pass, or any fraudulent use of such card or pass, will be grounds for voiding all recreation privileges issued against the parcel. The District reserves the right to pursue any other legal action.

65. **Selling of Recreation Privileges.** It is strictly forbidden for any individual to sell an assignment of Recreation Privileges, or to sell individual Recreation Passes or Recreation Punch Cards. Any such sales of privileges, passes, or cards is considered to be fraudulent use and will be grounds for voiding all recreation privileges issued against the parcel. The District reserves the right to pursue any other legal action.

66. **Misconduct.** Use of the District's facilities by any pass holder or card holder is a privilege. For misconduct, a pass holder or card holder may be removed from the facilities and/or his/her privileges, including the immediate confiscation of the Recreation Pass or Recreation Punch Card, may be suspended for any period deemed appropriate by the District or those privileges may be revoked, at the District's sole discretion. Misconduct includes but is not limited to:

a. failure to abide by any rule, policy, procedure, or regulation established by the District and all such supplemental rules, policies, procedures, or regulations established for each recreational facility; or

b. violation of any law or ordinance; or

c. disorderly and/or abusive behavior; or

d. excessive or improper use of alcohol and/or drugs; or

e. vandalism or any other form of property damage.

The parent(s), conservator, or guardian of a child who engages in willful misconduct may be jointly and severally liable for the resulting damage. (NRS 41.470, as amended.)

67. Disciplinary Procedures for Misconduct.

a. **Incident Report.** An employee may, in a timely fashion, submit a written incident report of facts within that employee's own, personal knowledge concerning the alleged misconduct of a user, regardless of whether that user was removed from the premises for that same alleged misconduct.

b. **Removal.** Under exigent circumstances, a District employee may remove a user from District property, with or without the assistance of the Washoe County Sheriff's Office. Exigent circumstances include but are not limited to a threat of bodily harm, to him/herself or others, a risk of property damage, and/or a persistent refusal to obey the law and/or policies and procedures, or regulations of the District.

(1) Washoe County Sheriff Assistance. The District may request at any time the assistance of the Washoe County Sheriff's Office in maintaining order.

(2) Incident Report. The employee(s) involved in the removal shall file an incident report with the department head of that facility within 24 hours of the occurrence.

c. **Suspension, Revocation, or Other Disposition.**

(1) **Department Head.** Within a reasonable time following receipt of an incident report, the Department Head may determine that sufficient evidence of serious misconduct exists, indicating adequate grounds for suspension or revocation of privileges. Upon such an assessment, the Department Head shall provide the user with written notice of the accusation(s) and the possible sanction/penalty which may result. The notice shall also provide the user with the date, time and place at which the user may appear before the Department Head and the accusing employee(s), to respond to the claims and to explain the user's position concerning the incident.

(a) **Notice.** The written notice shall be signed by the Department Head and mailed, certified return receipt requested, to the District's record address of the user. Attached to the notice shall be a copy of the incident report(s). If the user is a minor, an additional copy of the notice shall be mailed to the parent(s) or person(s) in loco parentis of the user-child.

(b) **Hearing.** Within five (5) business days of mailing the written notice, unless otherwise agreed by the Department Head and the user, the Department Head shall hold a hearing to determine the accuracy of the representations contained in the Incident Report and to determine what, if any, further action shall be taken by the District. At this hearing, the employee(s) bringing the charges shall provide testimony and the user shall have opportunity to respond and explain. At the close of the hearing, the Department Head may render his/her opinion orally or take the matter under submission. The Department Head shall deliver a written decision concerning the allegations and any resulting suspension or revocation within two (2) business days following the hearing.

(c) **Decision.** The Department Head shall include findings of facts, conclusions of misconduct, and sanction/penalty, if any imposed, in the decision; additionally, the Department Head shall inform the user in the decision of the user's right to appeal the decision to the District's General Manager. Such disposition shall include, but not be limited to, the following: suspension, revocation, reprimand (oral or written), or a determination of no action of no misconduct.

(d) **Notice of Appeal.** In order to avail him/herself of the right to appeal to the General Manager, the user must so inform the General Manager by letter delivered to the District's Administrative Building (located at 893 Southwood Boulevard, Incline Village, NV 89451) within two (2) business days of issuance of the written opinion.

(2) **District General Manager.** Within five (5) business days of the user's notice of appeal letter, the General Manager shall hear the user's appeal. Also at this hearing shall be the charging employee(s) and the deciding Department Head, to respond to the user's assertions. The General Manager shall render his/her written decision within two (2) business days of the appellate hearing. In the decision, the General Manager shall uphold, modify, or reverse, in whole or in part, the Department Head's decision. The General Manager shall advise the user in this written decision of the user's right to appeal the General Manager's decision to the District's Board of Trustees. In order to avail him/herself of the right of final appeal to the Board of Trustees, the user must so inform the Board by letter delivered to the District's Administrative Building (located at 893 Southwood Boulevard, Incline Village, NV 89451) within five (5) business days of issuance of the written opinion from the General Manager.

(3) **Board of Trustees.** The Board of Trustees shall hear the user's duly agendized appeal at the Board's next regularly scheduled public meeting. (NRS 241.030 (3) (d): nothing contained in the Chapter 241 shall require that any meeting be closed to the public.) Also at this hearing shall be the charging employee(s), the deciding Department Head, and General Manager, to respond to the user's assertions. The Board shall render its decision at this

hearing. By its decision, the Board shall uphold, modify, or overturn, in whole or in part, the General Manager's decision. The Board's decision is final.

d. **Right of Representation.** The user may enlist the assistance of legal counsel, of the user's choice and at his/her expense, at any and all stages of these proceedings.

e. **Reservation.** Nothing herein shall preclude the District from utilizing any and all legal and/or equitable remedies, in the stead of or in addition to the present procedure.

68. **Other Issuance.** Nothing in this ordinance shall prevent the District from issuing recreation privileges to employees, former Board members, or anyone else, in the past, present or future, as approved by the Board of Trustees.

69. **Purchase of Additional Recreation Passes or Cards.** If any owner wishes to purchase additional Recreation Passes or Recreation Punch Cards, the owner may do so by paying an additional fee equal to one-fifth of the current District Recreation Fee for each Pass or Card for the parcel in question. Additional Recreation Passes are valid for a period of one (1) year from the date of purchase, unless they expire on an earlier date as provided in paragraph 48 hereof. Additional Recreation Passes can only be purchased for eligible family members of parcel owners or residents. Additional Recreation Punch Cards are valid from the date of purchase until the first April 30th following the date of purchase and can be used by any individual. Additional Recreation Passes or Cards cannot be purchased for commercial parcels and their tenants. An application for additional recreation passes or cards must be filed with the District's Parks and Recreation office.

70. **Personal Identification.** Prior to issuance of any recreation privilege, identification of the person receiving the privilege may be required in the form of a valid photo identification card, such as an automobile driver's license.

71. **Administration.** The General Manager may from time to time adopt, amend, or rescind rules consistent with this ordinance. The General Manager shall hold the final authority to interpret this ordinance and rules adopted thereunder. Such authority shall include the application of this ordinance and rules to specific people, parcels, and circumstances. The day-to-day administration of this ordinance is hereby delegated to the Director of Parks and Recreation.

ARTICLE IX. AMENDMENTS

72. **Modification of Privileges.** The recreation privileges issued under this ordinance shall be modified by the terms of any amendments to this ordinance subsequently adopted by the Board. Nothing in this ordinance shall be deemed to limit the Board's discretion to modify the terms of this ordinance or the application of any such modification to Recreation Passes, Recreation Punch Cards and other recreation privileges outstanding, including alterations in the terms or expiration dates thereof.

73. **Effective Date.** The effective date of this ordinance was January 1, 1988. The terms of this ordinance applied to all recreation privileges that were outstanding on that date. The

Director of Parks and Recreation is empowered to determine how to administer the application of this ordinance to existing privileges. The effective date of this amendment shall be March 26, 1998.

FAMILY TREE

Relationship #	PROPERTY OWNER		Relationship #	SPOUSE OF PROPERTY OWNER
0	OWNER/CO-OWNER	FIRST DEGREE	00	OWNER/CO-OWNER
1	MOTHER		7	MOTHER
2	MOTHER'S SPOUSE		8	MOTHER'S SPOUSE
3	FATHER		9	FATHER
4	FATHER'S SPOUSE		10	FATHER'S SPOUSE
5	CHILDREN		11	CHILDREN
6	CHILD'S SPOUSE		12	CHILD'S SPOUSE
13	GRANDMOTHER	SECOND DEGREE	23	GRANDMOTHER
14	GRANDMOTHER'S SPOUSE		24	GRANDMOTHER'S SPOUSE
15	GRANDFATHER		25	GRANDFATHER
16	GRANDFATHER'S SPOUSE		26	GRANDFATHER'S SPOUSE
17	GRANDCHILDREN		27	GRANDCHILDREN
18	GRANDCHILD'S SPOUSE		28	GRANDCHILD'S SPOUSE
19	SISTER		29	SISTER
20	SISTER'S SPOUSE		30	SISTER'S SPOUSE
21	BROTHER		31	BROTHER
22	BROTHER'S SPOUSE		32	BROTHER'S SPOUSE

EXHIBIT "G"
3 pages

From: Eick, Gerald W. <gwe@ivgid.org>
To: cfdobler <cfdobler@aol.com>
Sent: Thu, Sep 10, 2015 11:20 am
Subject: RE: Rec Fee transfer from Community Service Fund to Beach Fund

Cliff:

The amounts for beach entries for 2012-13 was \$371,956, for 2013-14 \$380,072 for 2014-15 \$376,792.
The budget for 2015-16 estimated the average at \$375,000.

Gerry Eick
What gets Measured Gets Managed.

From: Eick, Gerald W. <gwe@ivgid.org>
To: cfdobler <cfdobler@aol.com>
Subject: RE: Rec Fee transfer from Community Service Fund to Beach Fund
Date: Thu, Sep 10, 2015 10:18 am

Cliff:

The entry would be :
Community Services Fund Punch Card Allowances \$10.56
Beach Fund Punch Card Allowances \$ 1.44
Beach Fund Guest fee revenue \$12.00
Beach Fund due from cash pool \$10.56
Community Services due to cash pool \$10.56
Cash Pool due to Beach \$10.56
Cash Pool due from Community Services \$10.56
Gerry Eick
What gets Measured Gets Managed.

From: cfdobler@aol.com [<mailto:cfdobler@aol.com>]
Sent: Wednesday, September 09, 2015 1:34 PM
To: Eick, Gerald W.
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

I sent to you the below e mail on September 2, 2015, but I have not had a response. This is the 2nd request.

From: cfdobler@aol.com [<mailto:cfdobler@aol.com>]
Sent: Wednesday, September 09, 2015 1:36 PM
To: Eick, Gerald W.
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

I have not had a response to the question I asked below on August 31, 2015. Could I please obtain a response.

thank you

From: cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Wed, Sep 2, 2015 6:35 am
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

Gerry - Based on the request of the attorney present in the August 27th meeting, I have decided to move forward with a report on accounting for punch card allowances and send it to the audit committee. Since the accounting change to account for punch card allowances began in the 2012-2013 fiscal year, could you please send me the exact amount of cash which was transferred from the Community Service Fund to the Beach Fund for the fiscal years 2012-2013, 2013-2014, 2014-2015 and the budget for 2014-2016. In the meeting you had indicated it was approximately \$300,000 per year and at our lunch you had indicated about \$375,000. We need the exact numbers. Your prompt response will help put this subject to bed

Thanks for your help

cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Mon, Aug 31, 2015 8:40 pm
Subject: Re: Rec Fee transfer from Community Service Fund to Beach Fund

I am having trouble understanding the statement below.

Lets try this another way

if a sale for admission to the Beach is for a resident's guest and is \$12,00 and a punch card was used. and since the Resident rate per Ordinance 7 is free admission then the buy down (Punch Card Allowance) would be \$12,00

Please explain the accounting entry on the general ledger to record the sale, the punch card allowance and any cash transfer for both the Community Service Fund and the Beach Fund. If there are two entries or more please explain.

A debt and credit analysis would be appreciated.
Thank you very much.

From: cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Mon, Aug 17, 2015 4:21 pm
Subject: Re: Rec Fee transfer from Community Service Fund to Beach Fund

Could you please provide an answer to my question. What were the actual allowances by each venue.

cliff

From: Eick, Gerald W. <gwe@ivgid.org>
To: cfdobler <cfdobler@aol.com>
Sent: Mon, Aug 17, 2015 6:44 am
Subject: RE: Rec Fee transfer from Community Service Fund to Beach Fund

Cliff:

Which fund pays for the punch card utilized is the 88% and 12% allocation based on the relationship of the facility for Community Services and the Beach Funds. The seller of the service gets 100% of that utilized amount. Yes, the Beaches receive the substantial portion of punch card usage.

Gerry Eick
What gets Measured Gets Managed.

From: cfdobler@aol.com [<mailto:cfdobler@aol.com>]
Sent: Friday, August 14, 2015 9:15 AM
To: Eick, Gerald W.
Subject: Fwd: Rec Fee transfer from Community Service Fund to Beach Fund

I think my below request needs some clarification. Since the total punch card allowances fro 2015-2016 is established and has been allocated based on an 88% to community services and 12% to Beachs. However based on our discussion the actual allowances given at each venue may be quite different that the allocation. Let us look at the actual allowances given on punch cards at each of the Community Service and Beach venues. Based on our conversation the majority of the allowances were at the beach and exceeded the 12% allocation. As such the Community Service Fund would have to write a check to the Beach Fund to book the gross sales in excess of the allocated allowance.

Thanks

From: cfdobler <cfdobler@aol.com>
To: gwe <gwe@ivgid.org>
Sent: Thu, Aug 13, 2015 10:20 am
Subject: Rec Fee transfer from Community Service Fund to Beach Fund

I enjoyed discussions last night.

I need to know as of the year ended 6/30/2015 and the budget for 2015-2016 how much of the Punch Card Allowances in the Community Services Fund was and is budgeted to be transferred to the Beach Fund and recorded as sales and Fees.

Thanks Cliff